

Overview of Home Child Care in Toronto

Date:	June 11, 2014
To:	Community Development and Recreation Committee
From:	General Manager, Children's Services
Wards:	All
Reference Number:	

SUMMARY

This report responds to a request for a report to the June 25, 2014 meeting of the Community Development and Recreation Committee with an overview of home child care in Toronto and identification of potential strategies to encourage more informal home child care providers to become part of the regulated system.

Approximately 3,100 licensed child care spaces are managed by 19 licensed home child care agencies in over 1,000 private homes in Toronto. This report describes some of the challenges facing the sector and the objectives of a review of home child care in Toronto.

Financial Impact

This report has no financial impact.

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 April 1, 2 and 3, 2014 City Council requested the General Manager, Children's Services to report to the June 25, 2014 meeting of the Community Development and Recreation Committee with an overview of home child care in Toronto and to identify potential strategies to encourage more informal home care providers to become part of the regulated system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD27.3>

ISSUE BACKGROUND

There are approximately 61,000 licensed child care spaces in Toronto. While the majority of these are in licensed child care centres, approximately 3,100 are managed by 19 licensed home child care agencies in over 1,000 private homes. Ten of these home child care agencies have a contract with the City to provide child care to families in receipt of child care fee subsidy. One agency is directly-operated by Toronto Early Learning and Child Care Service (TELCCS).

Under the *Day Nurseries Act* (DNA), home child care providers can care for a maximum of five children (including their own children) under the age of six. Of these five children, no more than two children can be under two years of age and no more than three children can be under three years of age. There is an unknown number of unlicensed home-based providers in the city, some of which illegally care for more than five children. (Provincial licensing staff are responsible for managing reports of illegal home child care operations.) The City has supported expanded powers and duties for provincial inspectors, including applying fines and the ability to cease the operation of unregulated home child care.

In the licensed sector, home child care agencies offer early learning and care in approved homes for children ranging in age from infancy to 12 years. Home child care agencies hold licenses themselves and enter into contracts for care with providers who act as independent contractors. A Home Visitor from the agency works with a family to determine their needs and preferences, and helps them select a home child care provider from the agency's approved list. The Home Visitor also visits the provider's home at least once every three months and regularly reviews nutrition, activities and safety standards according to DNA requirements. The agency also provides ongoing training opportunities, resources and support to the home child care providers. Home providers that contract with a licensed home child care agency have training in first-aid, health, safety, nutrition, child development, program planning, and behaviour guidance.

In addition to provincial licensing requirements, Children's Services requires all home child care agencies that have a service contract for fee subsidy and their providers to meet quality standards as set out in the Toronto Operating Criteria for Home Child Care Agencies.

Recent legislative and regulatory changes have proposed to lower the standards in licensed home child care, ostensibly to encourage more providers to become licensed. Bill 143, the *Child Care Modernization Act*, would have allowed operators to care for more than three children under three, and to permit up to 12 children if two adults were in the home. Both of these proposals caused concern in the community and were not supported by Toronto City Council when it considered CD27.3, "Response to Proposed Legislative and Regulatory Changes for Childcare in Ontario". While the changes were halted with the start of the provincial election, they signal that the Province is looking for ways to make licensed home child care more appealing to operate.

Toronto Children's Services supports families' choice in child care arrangements. Home child care, which represents five per cent of the licensed sector, provides flexibility in a small group setting and serves the needs of many families who work untraditional hours.

COMMENTS

Issues affecting the sector

The home child care sector is impacted by the system-level changes affecting all child care services in Ontario. For example, the implementation of Full-Day Kindergarten in Ontario means that four- and five-year olds are in schools and child care providers are shifting their services to serve younger children. At the same time, a new child care funding model is being developed in Toronto in order to allocate funding more equitably and transparently across the city.

As these changes progress, Children's Services is working with partners to ensure that there is a strong, high-quality, and rational system of services in place for families, and that licensed home child care can continue to maintain its vital presence. To help mitigate the impacts of these changes, Children's Services is permitting four- and five-year olds to use their fee subsidy in home child care even when FDK before-and-after school programs are available. This decision has been made as a transitional measure to help stabilize licensed home child care. Children's Services is also looking at increasing, on an interim basis, the rates paid for infant and toddler spaces in home child care in order to encourage providers to expand service for younger children.

There are also issues facing the home child care sector specifically. Currently, licensed home child care providers are paid on a per diem basis based on ages served and number of hours in care, but at low rates that limit the viability of operators and access to service. In addition, providers face incentives to remain unlicensed. While licensed providers receive many benefits from contracting with an agency, they must also agree to unannounced visits and increased paperwork and reporting requirements. For many, the extra requirements of becoming licensed outweigh the benefits of connecting with an agency and providing high-quality services. Throughout Children's Services consultations on Bill 143, we heard strong support for providing incentives to encourage unlicensed providers to move to the licensed sector. The Division has always supported the licensed sector for health, safety and quality reasons.

Home Child Care Review - Objectives

Toronto Children's Services is undertaking a review of the licensed home care sector. The Review will result in recommendations that:

- Stabilize and strengthen the sector during and after this period of change. The home child care sector is an important part of the system of early learning services and will continue to have an important role. Therefore, providers need to continue to be stable and viable. The payment structure and payment guidelines will be reviewed

to see if they can better support provider viability as well as quality and professional development.

- Establish the unique role of home child care: As the early learning and care sector is becoming more seamless and better-organized, there is a need for a vision that includes the role that home child care plays for families, and how it can support parental choice in making child care arrangements. For example, some child care providers publicize extended or non-traditional hours of care. Usage statistics will be collected to analyze this need and other patterns that help illustrate the unique needs that are being met in private homes.
- Encourage operators to become licensed: The review will establish what actions or policy changes at the municipal level will help to encourage unlicensed providers to become licensed; and what changes should be advocated for at the provincial level (i.e. changes to the number of children permitted). This might include educating parents about what they should look for in a care provider, and reviewing payment rates and structures.

The home child care review process will draw on the significant expertise of community partners in Toronto, including the Toronto and Ontario Home Child Care Associations, licensed home child care agencies, associated services such as Ontario Early Years Centres, and families. It will draw on the findings of the Parent Summit and parent surveys conducted in the fall of 2013 and winter of 2014.

Children's Services will not be considering new strategies concerning home child care until after the completion of the review. Strategies will be consistent with the principles of the Child Care Service Plan. The results of the review will be brought to the Community Development and Recreation Committee at a future date.

CONTACT

Adrienne Beke
District Director
Children's Services Division
Tel: (416) 392-5339
Email: abeke@toronto.ca

SIGNATURE

Elaine Baxter-Trahair
General Manager, Children's Services