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## 2016 OPERATING BUDGET BRIEFING NOTE

### Children's Services: Non –purchased Child Care Spaces; Vacancy Rates; and Projected New Licensed Spaces

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**Issue/Background:**

At its meeting on January 11, 2016, the Budget Committee requested that the General Manager of Children's Services provide a briefing note detailing the number of licensed child care spaces by age group not currently covered by a purchase of service agreement with the City, focusing on those centres that have service contracts for some but not all rooms or age groups; current vacancy rates by Ward; and the estimated number of new licensed spaces that will be created in 2016 and 2017 by age group.

**Key Points:****Service Contracts**

- 669 child care centres have a contract with the City of Toronto to provide child care to families receiving fee subsidy.
- 285 child care centres do not have a service agreement for fee subsidy with the City of Toronto. Families in receipt of fee subsidy are not able to access these programs. Of these, 172 are commercial centres and, as such, not eligible for a new or expanded service agreement. Expansion and investment in child care continues in the non-profit and public sectors as per the Council's policy. As noted on Table 1 on page 2, there are a total of 6,504 non-profit spaces without a contract or with a partial fee subsidy agreement.
- Since the introduction of Full Day Kindergarten (FDK) in 2010, the division has been actively seeking opportunities to increase licensed capacity within the child care system. The expansion of existing programs and introduction of new centres has resulted in a total increase of 12,682 licensed child care spaces, a 24% system expansion, between 2011 and 2015. The majority of growth has been in FDK Before-and-After School programs.
- Children's Service works with community child care partners to increase the number of licensed spaces available in existing child care programs and to capitalize of savings resulting from FDK to increase the number of child care fee subsidies.
- New and expanded service contracts are essential to ensuring continuity of care as children move through the system. Requests for these are prioritized based on:
  - Wards most in need, where there is insufficient space to meet the needs of families with a fee subsidy, let alone families requiring care but not in receipt of subsidy;
  - Ensuring preschool spaces are available to compliment new infant and toddler spaces, and

- Ensuring school age spaces are available to compliment FDK Before-and-After School programs within schools.
- Fee subsidy agreements with the City are not required to provide licensed child care. Centres can obtain a license without a fee subsidy contract with the City, with the exception of FDK Before-and-After School programs. The Province requires all FDK programs to have a fee subsidy agreement.
- 113 not-for-profit centres are currently operating without a fee subsidy agreement and have chosen not to pursue an agreement with the City. Current enrolment in these agencies is sufficient to meet their operational needs.
- 34 centres have a service agreement with the City, but not for all age groups or rooms. City staff is working with these not-for-profit agencies to pursue an agreement for all age groups and rooms. These are at various stages of development. Expanding access to all families continues to be a priority for the division.
- In some instances, child care operators have not pursued a fee subsidy agreement for some or all age groups as they are able to fill programs with non-subsidized families. Some of these may have obtained a fee subsidy agreement for FDK programs solely to meet provincial requirements.
- Details on licensed child care spaces and programs without a contract or with a contract that does not cover all rooms or ages are summarized in Table 1.

Table 1

Description		Spaces in age groups that are not purchased					total
		Infant	toddler	preschool	kindergarten	school age	
113 non-profit child care centres <u>without a contract</u>		56	653	2,736	229	1,450	5,124
34 non-profit child care centres with a contract but some age groups not purchased	total capacity	32	175	454	803	1,344	2,808
	capacity not purchased	0	35	120	103	1,122	1,380
subtotal		<b>88</b>	<b>863</b>	<b>3,310</b>	<b>1,135</b>	<b>3,916</b>	<b>9,312</b>
The following 2 rows represent commercial centres and as per Council directive we are not expanding contracts to these programs.							
2 commercial centres with a contract but some age groups not purchased	total capacity	10	30	64	0	45	149
	capacity not purchased	0	10	0	0	15	25
172 commercial centres <u>without a contract</u>		715	2,106	5,802	215	803	9,641
subtotal		<b>715</b>	<b>2,116</b>	<b>5,802</b>	<b>215</b>	<b>818</b>	<b>9,666</b>

**Current Vacancies**

- Appendix A lists vacancies by age group and Ward as of January 14<sup>th</sup>, 2016.
- This report is based on vacancy information provided by the 669 child care operators’ with a purchase of service agreement with the City. While the division makes every effort to confirm vacancy information, it relies on agencies providing timely and accurate data. The report shows that there are currently 3,544 vacancies across the 44 City Wards.
- The current service and age mix has resulted in lower than expected per diem costs across the system. These lower costs have enabled the division to increase the number of subsidies available. Actual fee subsidy utilization in 2015 was 26,100, exceeding the service level target of 25,116. This has allowed the division to provide subsidies for additional preschool, KG and schoolage children. This trend will partially reverse over the next five years, as more costly infant and toddler spaces are created through the capital strategy. While the division will be unable to sustain 26,100 subsidies with its current funding, it is anticipated that the service level target will be increased beyond the current level of 25,116 as a result of FDK savings and increased provincial investment.
- Currently the division is allocating fee subsidy in all wards for all age groups.

**New Licensed Spaces and System Growth**

- From 2011 to 2015, the child care system in Toronto experienced unprecedented growth, with significant increases in licensed child care spaces, available fee subsidies, and the number of families served. As a result, there has been a significant decrease in the waiting list for fee subsidies. The growth from 2011 to 2015 is described in Table 2 below.

Table 2

<b>Child Care Delivery</b>		<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Early Learning and Care Capacity (# of licensed spaces)	Actual	53,500	53,620	55,656	58,025	65,864
Early Learning and child care subsidies	Budget	24,000	24,000	24,264	24,932	25,116
	Actual	23,920	23,635	24,026	24,886	26,900
Waiting List for Fee Subsidy	Actual	19,500	21,000	18,748	16,873	11,500
Families Served	Actual	33,370	32,972	34,202	35,426	37,000

- The Children’s Services Service Plan (2015 – 2019), approved by Council in 2015, identifies a lack of available child care spaces for younger children as a key challenge that continues to impact the system’s ability to serve Toronto’s families. The Service Plan identifies a need for capital development to increase the number of licensed spaces in Toronto.
- The Children’s Services 2016-2025 Capital Plan includes funding for 8 new child care centres that will add 457 spaces over 10 years.
- Up to 3900 new licensed child care spaces in schools will be introduced through Ministry of Education funded projects over the next 3 to 5 years.
- It normally takes between 4-5 years to locate and deliver a new child care centre. The Division continues to seek partnerships with other City division, school boards and agencies to add child care to larger, compatible projects.
- As noted in Table 3 below, 1,462 new licensed spaces are expected to open across the City between 2016 and 2017.

Table 3

New Licensed Spaces 2016-2017	Licensed Spaces				# of sites
	Infant	Toddler	Preschool	Total	
Children’s Services Capital Budget 2016	10	15	24	49	1
Sec 37 & DC outside of the Capital Budget	20	40	64	124	2
EL4 - Provincially Funded Capital for Child Care in Schools	100	285	904	1,289	45
<b>Total</b>	<b>130</b>	<b>340</b>	<b>992</b>	<b>1,462</b>	<b>48</b>

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**Date:** January 15, 2016

**Appendix A**

00:10 Thursday, January 14, 2016

***Children Waiting for Subsidy / Licensed Vacancies in the Subsidy System by Age Group and Ward***

<b>Ward</b>		<b>Infant</b>	<b>Toddler</b>	<b>Preschool</b>	<b>Kindergarten</b>	<b>School age</b>	<b>Total</b>
<b>1</b>	<b>waiting</b>	128	30	51	52	75	336
	<b>vacant</b>	1	24	39	3	11	78
<b>2</b>	<b>waiting</b>	126	35	48	48	84	341
	<b>vacant</b>	2	6	22	19	16	65
<b>3</b>	<b>waiting</b>	45	19	22	16	48	150
	<b>vacant</b>	0	4	13	19	15	51
<b>4</b>	<b>waiting</b>	56	17	19	31	46	169
	<b>vacant</b>	3	2	36	14	43	98
<b>5</b>	<b>waiting</b>	71	28	27	30	40	196
	<b>vacant</b>	0	0	23	18	36	77
<b>6</b>	<b>waiting</b>	93	38	33	19	52	235
	<b>vacant</b>	0	2	6	17	23	48
<b>7</b>	<b>waiting</b>	136	50	51	40	106	383
	<b>vacant</b>	0	28	25	8	0	61
<b>8</b>	<b>waiting</b>	137	46	62	63	157	465
	<b>vacant</b>	1	13	105	18	2	139
<b>9</b>	<b>waiting</b>	108	32	41	37	54	272
	<b>vacant</b>	0	21	39	8	30	98
<b>10</b>	<b>waiting</b>	129	62	50	43	76	360
	<b>vacant</b>	2	15	18	7	26	68
<b>11</b>	<b>waiting</b>	169	48	79	57	88	441
	<b>vacant</b>	2	8	9	12	34	65
<b>12</b>	<b>waiting</b>	118	33	45	53	59	308
	<b>vacant</b>	4	5	16	22	30	77
<b>13</b>	<b>waiting</b>	44	13	15	18	20	110
	<b>vacant</b>	0	0	0	7	0	7
<b>14</b>	<b>waiting</b>	98	19	28	25	22	192
	<b>vacant</b>	1	13	11	10	13	48

<b>15</b>	<b>waiting</b>	120	41	39	30	55	285
	<b>vacant</b>	2	18	39	28	7	94
<b>16</b>	<b>waiting</b>	32	6	7	6	17	68
	<b>vacant</b>	0	7	3	32	31	73
<b>17</b>	<b>waiting</b>	84	22	26	15	23	170
	<b>vacant</b>	0	0	8	22	36	66
<b>18</b>	<b>waiting</b>	76	17	25	17	15	150
	<b>vacant</b>	0	12	29	24	21	86
<b>19</b>	<b>waiting</b>	95	22	24	15	15	171
	<b>vacant</b>	3	5	12	23	54	97
<b>20</b>	<b>waiting</b>	127	39	23	25	15	229
	<b>vacant</b>	2	37	51	19	29	138
<b>21</b>	<b>waiting</b>	50	13	18	16	15	112
	<b>vacant</b>	0	7	28	18	11	64
<b>22</b>	<b>waiting</b>	60	23	25	22	27	157
	<b>vacant</b>	0	5	8	1	7	21
<b>23</b>	<b>waiting</b>	104	53	67	32	52	308
	<b>vacant</b>	0	2	36	10	26	74
<b>24</b>	<b>waiting</b>	85	40	48	40	65	278
	<b>vacant</b>	0	42	54	18	27	141
<b>25</b>	<b>waiting</b>	31	19	14	17	27	108
	<b>vacant</b>	0	2	4	6	2	14
<b>26</b>	<b>waiting</b>	110	42	60	48	62	322
	<b>vacant</b>	3	31	72	13	33	152
<b>27</b>	<b>waiting</b>	101	41	32	21	33	228
	<b>vacant</b>	3	10	4	24	9	50
<b>28</b>	<b>waiting</b>	160	39	66	34	55	354
	<b>vacant</b>	3	14	28	43	36	124
<b>29</b>	<b>waiting</b>	65	18	19	15	30	147
	<b>vacant</b>	4	7	5	22	25	63
<b>30</b>	<b>waiting</b>	79	14	19	26	29	167
	<b>vacant</b>	1	5	17	18	8	49
<b>31</b>	<b>waiting</b>	126	37	48	39	74	324
	<b>vacant</b>	6	9	29	15	5	64

<b>32</b>	<b>waiting</b>	65	19	13	18	22	137
	<b>vacant</b>	0	1	12	30	17	60
<b>33</b>	<b>waiting</b>	112	50	62	50	91	365
	<b>vacant</b>	0	0	30	3	11	44
<b>34</b>	<b>waiting</b>	124	43	61	54	81	363
	<b>vacant</b>	6	33	49	5	41	134
<b>35</b>	<b>waiting</b>	155	56	75	69	108	463
	<b>vacant</b>	17	28	25	27	5	102
<b>36</b>	<b>waiting</b>	88	24	30	33	57	232
	<b>vacant</b>	0	24	21	15	8	68
<b>37</b>	<b>waiting</b>	122	42	57	43	68	332
	<b>vacant</b>	9	4	12	35	24	84
<b>38</b>	<b>waiting</b>	128	53	70	63	69	383
	<b>vacant</b>	17	23	40	12	17	109
<b>39</b>	<b>waiting</b>	111	58	42	43	73	327
	<b>vacant</b>	2	4	10	23	2	41
<b>40</b>	<b>waiting</b>	117	44	58	49	64	332
	<b>vacant</b>	10	12	31	26	15	94
<b>41</b>	<b>waiting</b>	113	50	71	49	63	346
	<b>vacant</b>	2	3	24	60	33	122
<b>42</b>	<b>waiting</b>	144	48	66	59	68	385
	<b>vacant</b>	9	29	34	31	6	109
<b>43</b>	<b>waiting</b>	107	27	46	31	97	308
	<b>vacant</b>	12	41	96	33	7	189
<b>44</b>	<b>waiting</b>	67	18	29	30	47	191
	<b>vacant</b>	3	11	5	14	5	38
<b>99 *</b>	<b>waiting</b>	25	25	13	6	6	75
	<b>vacant</b>	.	.	.	.	.	.
<b>ALL</b>	<b>waiting</b>	4,441	1,513	1,824	1,547	2,450	11,775
	<b>vacant</b>	130	567	1,178	832	837	3,544

\*Note: 99 represents families not yet assigned to a Ward.