



**STAFF REPORT  
ACTION REQUIRED**

**Centralized Child Care Waitlist**

<b>Date:</b>	June 9, 2016
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	General Manager, Children's Services
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

---

This report responds to a request for the General Manager, Children Services to report to the June 23, 2016 Community Development and Recreation Committee meeting on:

- a) the implementation and communication plan for eliminating child care waitlist fees as of January 2017, and the feasibility of expediting the implementation through voluntary or mandatory approaches prior to this date;
- b) the work being undertaken to examine the establishment of a City-wide centralized child care waitlist for child care space and other admissions policies; and
- c) a summary and/or estimate of the total number of children on all licensed child care centre waitlists, including those centres with purchase-of-service agreements and those without.

Subsequent to this direction, the Ministry of Education posted a draft regulation that would, if enacted, ban waiting list fees charged by child care programs and require operators to provide public waitlist and admission policies, with a clear explanation of how the operator determines the order in which children on a wait list are offered admission.

## RECOMMENDATIONS

---

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

- 1) City Council advise the Ministry of Education of its support for proposed regulatory changes that, if enacted, would ban waiting list fees for child care programs and require operators to provide public waitlist and admission policies, with a clear explanation of how operators determines the order in which children on a wait list are offered admission.

### Financial Impact

This report has no financial impact.

Children's Services currently administers a consolidated waitlist for families requesting a fee subsidy, with funding to maintain the waitlist included in the 2016 Approved Operating Budget for Children's Services. The establishment of a centralized waitlist system for child care space would require additional capital funding that is not included in the 2016 -2025 Approved Capital Budget and Plan for Children's Services.

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 June 10, 2015 City Council endorsed the Toronto Child Care Funding Model report, which requires the elimination of waitlist fees by January 2017 for all childcare providers with a contractual agreement with the City.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD4.5>

Community Development and Recreation Committee at its meeting of April 13, 2016, requested the General Manager, Children's Services to report to the June 23, 2016 Community Development and Recreation Committee meeting on:

- a) the implementation and communication plan for eliminating child care waitlist fees by January 2017, and the feasibility of expediting the implementation through voluntary or mandatory approaches prior to this date;
- b) the work undertaken to examine the establishment of a City centralized waitlist for child care spaces and other admissions policies; and
- c) a summary and/or estimate of the total number of children on all licensed child care centre waitlists, including those with purchase-of-service agreements and those without.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD11.12>

## **ISSUE BACKGROUND**

The licensed child care system in Toronto continues to be under significant pressure as a result of high demand for child care and limited capacity. At present, the system is able to serve only 18 per cent of Toronto's children age 0-12. Families looking for a child care space frequently encounter long waiting lists for a limited number of spaces and may be required to pay a waiting list fee at various locations. This increases the financial burden on families trying to access child care. For those families requiring fee assistance, available funding provides just over 26,000 child care fee subsidies, which is only enough to support 28.7 per cent of Toronto's low-income children age 0-12. There are currently 11,526 children on the waiting list for a child care fee subsidy.

### **Elimination of Waitlist Fees**

In June 2015, City Council approved a new Funding Model for licensed child care service providers. The new funding model was developed after extensive consultation with families, child care operators, child care experts, and other stakeholders. It has been designed to meet Toronto's unique needs both now and in the future. The model requires service providers, as a condition of funding from the City, to comply with Children's Services guidelines and policies, including the elimination of wait list fees for families by January 2017.

Not all child care operators across the City charge waitlist fees to families looking for child care and many programs are already in compliance with this policy. The application of a waitlist fee appears to be more prevalent in areas of the city with the greatest demand for child care.

In May 2016, the Ministry of Education posted a consultation document regarding wait list fees and is consulting on proposed regulatory amendments regarding child care wait lists. Ontario is proposing a regulation that would ban licensed child care centres and home child care agencies from charging fees to join a waiting list for child care programs. The proposed regulation is now available on the Ontario Regulatory website for public feedback. This consultation period will close on July 4, 2016 with a proposed effective date of September 1, 2016.

Other key aspects of the proposed regulatory amendment:

- Require licensees to develop a public wait list policy that provides a clear explanation of how the licensee determines the order in which children on a wait list are offered admission;
- Require the wait list status to be made available and in a manner that ensures confidentiality.

Should the proposed provincial regulatory amendments be enacted, it is feasible that the elimination of waitlist fees will be mandatory for all service providers across the province by September 2016, expediting the implementation plan for Toronto and improving transparency for families.

## **COMMENTS**

### **Communication Plan**

In preparing for implementation of the City's new funding model and waitlist policy, an implementation plan was launched late in 2015 following Council's approval of the new model. New requirements associated with wait list fees were introduced to child care operators in community meetings in September 2015, at information sessions for Boards of Directors in April 2016 and through a formal communication from the General Manager in May 2016. This information and other important policy changes are available to operators on the division's public website and will be included in the 2017 operators' budget guidelines. Discussions with operators to ensure they are ready to implement new policies have taken place through individual meetings, at District Child Care Advisory Meetings, Stakeholder meetings and Local Network meetings. When completing program visits with operators in 2017, staff will confirm compliance with new funding model policies and ensure that admissions practices are transparent, and do not create barriers for families.

Families will be advised of the new policy on our public webpage, in a media release, through social media and in person when they visit district offices for fee subsidy eligibility assessments.

### **Waitlists and Admission Policies**

Toronto does not currently have a single centralized waitlist for full fee and subsidized families trying to access child care space. Child care operators maintain their own individual wait lists and enrol children according to their admission policies and procedures. Admission policies take into consideration a number of factors such as position on the list, date care is required, the age of the child, and priority status that may be in place for siblings, workplace or other criteria.

Toronto currently has admission and search tools online to help parents find licensed child care and before and after school programs. A Child Care locator captures information on over 950 licensed child care centres serving children from infancy to school age. Through the Child Care locator parents can also access information on the quality ratings of service providers based on The Assessment for Quality Improvement or AQI tool. An online fee subsidy calculator is available for parents to determine if they may be eligible for a fee subsidy and to estimate how much they may have to pay for child care. Children's Services makes available *A Parent's Guide to Licensed Child Care in Toronto*. This guide helps parents understand the licensed child care system, recognize the signs of a quality program and provides information on how to find child care that meets the needs of their

family. This guidebook will be updated to reflect policy changes with respect to waitlist fees.

Children's Services currently administers a consolidated waitlist for families requesting a fee subsidy. Families with children up to 12 years old can apply for a child care fee subsidy online or call 311 to apply by phone. There are currently 11,526 children on the waiting list for a child care fee subsidy. Operators with a contract for fee subsidy have access to the City generated fee subsidy waiting list and contact parents directly when they have an available child care space. Parents, however, must also be on the waitlist for space managed by individual child care operators. Fee subsidies are allocated on a first-come, first-served basis to eligible families. Once a family is approved for a fee subsidy, they select a child care space based on many factors, including location, available space, ages served, quality ratings and school catchment area. City staff works with families in receipt of fee subsidies and child care operators to confirm a placement once a child care space has been confirmed. Current City policy exempts families eligible for fee subsidy from waitlist fees. A consolidated waitlist of child care space would assist all families in need of child care, not just those in receipt of fee subsidy.

In some instances, child care operators have not pursued a fee subsidy agreement for their centre as they are able to fill program with non-subsidized families. There are currently 113 non-profit child care centres and 172 commercial centres without a contract with the City. As per Council directive, the City is not expanding contracts to commercial programs. The City has no authority to mandate waiting list and admission policies in these programs where no formal agreement exists. The province does have the authority to mandate policies and practices through regulation, to which all licensed operators must apply. To be effective, a centralized waitlist and the elimination of waitlist fees would require participation of all operators. For this reason, it is recommended that Council communicate its support for proposed provincial regulations eliminating waitlist fees.

Licensed child care operators with a fee subsidy agreement with the City of Toronto are required, as a condition of their contract, to have in place admission procedures for all families. This includes sharing the following information with parents prior to admission:

- Philosophy Statement
- Access and Equity Policy
- Behaviour Guidance Policy
- CAS reporting policy/requirements
- Withdrawal Procedure
- Health Policy
- Parent Involvement Policy

The Access and Equity Policy ensures families have equitable access to services and programs.

## Operator Survey Results

A recent survey of licensed child care operators, conducted by the division in May 2016, can be used to estimate the total number of children on all licensed child care centre waitlists:

998 centres were invited to participate in the survey and 442 centres (45%) responded. Respondents breakdown as follows:

- 79% currently have a fee subsidy agreement with the City of Toronto, while 21% do not.
- 78% of the respondents are non profit operators and 22% are commercial operators.
- 15 operators responded that they do not know the number of children on their wait list.

Table 1: Operator Survey Results

<b>Children by Age Group</b>	<b>Total # of children on a waitlist</b>
Infants	9,430 (27%)
Toddler	8,458 (24%)
Preschool	9,499 (27%)
Kindergarten	4,162 (12%)
Schoolage	3,847 (11%)
<b>All</b>	<b>35,408</b>

Note: Percentage has been rounded; may not add to 100%

Based on a response rate of 45%, it can be concluded that the number of children on a waiting list across the entire sector would be significantly higher than the 35,408 reported.

Of those operators who responded, 73% have a policy or procedure that describes how their waitlist is managed, 77% make this information available to parents and 86% of operators do not charge a fee for families to put their name on a waiting list for child care. Forty percent of operators were interested in accessing an Online Centralized Waitlist. Thirteen percent were not interested and 47% were unsure or required more information.

## Environmental Scan

The Division has undertaken an environmental scan across Canada and the Province, collecting information on centralized waitlists. Manitoba, PEI, Quebec and several municipalities in Ontario have established an online child care registry which serves as a centralized waiting list for child care space. The registry provides information to parents about licensed child care services and allows families to join centre waitlists through an online application.

In PEI and Quebec, online registries were developed to provide child care information by smaller geographic regions. Manitoba manages its online registry and centralized waitlist within the provincial government itself; in the other jurisdictions, third party organizations

manage the registry. In Ontario, municipalities are the service system managers for child care. As a result, online registries and centralized waitlists, when available, are specific to regions. Currently, there are approximately 14 municipalities with online registries and centralized wait lists in Ontario.

While centralized waitlists are in place in other provinces and municipalities, most of these are smaller systems that are not good comparators to Toronto. Combined, Manitoba, PEI and other participating Ontario municipalities have significantly fewer licensed child care spaces than Toronto, which manages the second largest child care system in Canada. The largest child care system is the province of Quebec, which manages the centralized waiting list by separating geographic regions across the Province in order to effectively manage the size and scope of the system.

In a recent survey conducted by Children's Services through the Ontario Municipal Social Services Association (OMSSA), 27 of 47 regions in Ontario responded and provided information on their approach to using a centralized waitlist:

- 10 of the 27 reported using a centralized waitlist system;
- 25% use commercial software products purchased from a vendor, while 75% used a combination of purchased product with customization;
- 75% reported that the cost to administer the waitlist is paid for by the region with no fee to child care operators and the system requires dedicated staff to manage and administer;
- The centralized waitlist was available to full fee families and families who require a subsidy;
- 50% of those who responded report that the use of the centralized waitlist system is mandatory for operators who have a funding agreement with the region, while 50% of the regions treat it as optional;
- 17 regions reported they do not currently have a centralized wait list. Some are exploring the feasibility of this option while others report no need due to the small size of the system, no waiting lists for subsidy or they do not consider this a priority for the region.

A centralized waitlist in Toronto would simplify the process for families wishing to access multiple child care waiting lists. Parents would have the ability to select child care options and manage and update their own information using online tools. Selecting options for child care online, however, will not eliminate long waitlists or the reality of demand for service exceeding supply.

A centralized list may provide important information for system planning, transparency, equity and accountability. Full participation from the licensed child care sector would be necessary to ensure a system that is complete, reliable and provides some predictability for families.

The development, implementation, administration and sustainment of a centralized waitlist for child care operators in the licensed child care sector in Toronto would require a considerable investment on the part of the division that is not currently included in the 10-

year capital forecast. In 2014, Children Services responded to recommendations in a 2013 Service Efficiency Review conducted by Deloitte recommending that the City establish a centralized waitlist. This recommendation was considered not feasible at that time due to the need for significant capital investment to determine and implement a preferred business model and ensure compliance with privacy and other requirements. Effectiveness was also limited as participation in a centralized waitlist could only be mandatory to programs with contractual agreements with the City.

Procurement of a centralized waitlist system must consider available software solutions, including cloud based products, customization of existing software or a combination of purchased products with customization. The division currently has a robust online system to manage operational and financial transactions between City staff and child care operators and in 2017, a new families' portal will be launched to improve online service channels for families. Whether a purchased or customized solution, any new application must integrate and interface with existing systems to avoid duplication. Additional research in partnership with the Purchasing and Materials Management Division and Information and Technology would be required prior to a business case for resources being developed.

## **CONCLUSION**

Effective January 1, 2017, child care operators will not be permitted to charge waitlist fees if they receive child care funding from the City of Toronto. This policy applies to fees charged to all families: whether in receipt of child care subsidy or full-fee. Proposed provincial regulatory changes regarding the elimination of waitlist fee, if enacted, will be mandatory for all operators in the licensed child care sector as of September 2016.

Proposed regulatory changes would also require operators to develop a public wait list policy that provides a clear explanation of how the operator determines the order in which children on a wait list are offered admission and requires the wait list status to be made available. Admission policies and procedures are already a requirement for operators who have an agreement with the City and proposed provincial regulations may further enhance these practices in the future.

Work undertaken to date to consider the establishment of a City centralized child care waitlist confirms that a number of options for centralized waitlist systems are available; however, the capital resources for development, sustainment and administration for a system as large as Toronto's are not currently included in the 10-year capital plan and would require debt funding to provide these resources.



## **CONTACT**

Shanley McNamee, Director  
Strategic, Business and Financial Services  
Children's Services  
Tel: 416-392-8284  
smcname@toronto.ca

## **SIGNATURE**

---

Elaine Baxter-Trahair  
General Manager, Children's Services