



## Ontario Early Years Child and Family Centres - Planning and Implementation Update

**Date:** August 18, 2017

**To:** Community Development and Recreation Committee

**From:** General Manager, Children's Services

**Wards:** All

### SUMMARY

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This report provides information on the transfer of Ontario Ministry of Education funded child and family programs to the City of Toronto, and on Children's Services Draft Initial Plan for the transformation of these programs.

Child and family programs are community-based programs that parents/caregivers attend with their children to support healthy child development. This report concerns four types of Provincially funded child and family programs that are being integrated and rebranded as Ontario Early Years Child and Family Centres (OEYCFCs). It uses OEYCFCs and child and family programs interchangeably.

### RECOMMENDATIONS

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

1. Adopt the Draft Ontario Early Years Child and Family Centre Initial Plan, highlighted in "OEYCFCs in Toronto, Draft Initial Plan: From Transfer to Transformation" (as set out in Appendix A), which describes the research and consultation conducted to date, and establishes priorities and next steps for realizing the Provincial vision for OEYCFCs in Toronto;
2. Authorize the General Manager, Children's Services to receive the funding from the Province of Ontario for OEYCFCs and enter into Service Agreements, that are to the satisfaction of the City Solicitor, with provider agencies in order to flow Provincial funds to these agencies on January 1<sup>st</sup>, 2018, prior to approval of the Division's 2018 Operating Budget;
3. Authorize the General Manager, Children's Services, to begin the recruitment process for 14 permanent positions in 2017, in accordance with the City's Complement

Management Policy, in order to ensure the successful transfer of services and to avoid service disruption for children, families, and service providers in 2018.

## **FINANCIAL IMPACT**

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On June 16<sup>th</sup> 2017, the City received notification of its 2018 funding allocation to support its new role as Toronto's service system manager for Ontario Early Years Child and Family Centres (OEYCFCs). The funding allocation for 2018 and 2019 is \$26,989,218 for each year, which will support the funding and administration of all OEYCFC programs in the City of Toronto.

The ongoing contract management of OEYCFCs is a new responsibility requiring significant resources. The Division is in the process of preparing for the January 1, 2018 transfer of 50 agencies for the delivery of programs at over 262 locations from the Ministry of Education to Children's Services, as the Consolidated Municipal Service Manager (CMSM) for the City of Toronto. Children's Services has committed to maintaining current service levels during the 2018 transfer year with some streamlined funding. The work required to execute this transfer and to begin meeting Provincial expectations in January 2018 cannot be completed without additional staff resources.

The Division has determined staff resources required to transfer, transform and administer these programs. An additional 14 positions are required in 2018 for operational program management, IT and business transformation, and contract and financial management roles. The total cost of the additional staff is \$1,760,803 inclusive of all salaries and benefits. These positions will be fully funded from the Provincial allocation which allows up to 10% to be used for administration. This cost represents 6.5% of the Provincial allocation, well below the maximum allowable administration expense. This report requests authority for the General Manager of Children's Services to begin recruiting for some of these positions in 2017, in accordance with the City's Complement Management Policy, in order to ensure the successful transfer of services and avoid service disruption for children, families, and service providers in 2018.

There is no financial impact on the 2017 Approved Operating Budget for Children's Services from the adoption of the recommendations in this report. All additional administrative and staff resource requirements for 2018 and 2019 will be funded through the Provincial allocation, with funding for the programming and administration included in the 2018 Operating Budget Submission and 2019 Outlook. All staffing levels beyond 2019 will be contingent on funding levels from the Ministry of Education and will be subject to the annual budget process.

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

## **EQUITY IMPACT STATEMENT**

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Child and family programs are important resources for all families in Toronto. Ensuring that these programs are accessible to the diversity of families in Toronto is critical to

achieving an equitable service system. These programs are widely used by equity-seeking groups, including families that identify as Indigenous, LGBTQ2S, families with children with special needs, low-income families, single-parent families, newcomer families, or combinations of the above. Child and family programs are also important resources for caregivers, many of whom are often newcomers. Initial needs assessment work indicates the invaluable support child and family programs provide to these families and to caregivers.

Adoption of the recommendations contained in this report will allow the Division to begin improving the accessibility of these programs and increase their positive impact on equity seeking children and families. This will be achieved by better integrating programs with other community services, improving workforce capacity, investing resources through an equity based approach, and partnering with community-based organizations to collaboratively build programs that are responsive to local need.

## **DECISION HISTORY**

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At its meeting of October 5, 6, and 7, 2016, City Council adopted CD14.4 "Planning for Ontario Early Years Child and Family Centres" and directed the General Manager, Children's Services to report to City Council on the funding formula and Provincial allocation of resources to Toronto when it is announced, and on the financial impact to the City for the transformation, sustainment and delivery of child and family programs.

In addition, City Council requested the General Manager, Children's Services to identify Ontario Child and Family Centres that are seriously oversubscribed and consider opportunities in the 2017 Budget to extend the hours of operation for those Centres that are unable to meet the current service demand. Children's Services does not assume full service system responsibility until January 2018, and 2018 will be a transition year in which the Division will engage in an analysis of service needs across the City to inform investments in meeting service demand.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD14.4>

At its meeting of June 23, 2016, the Community Development and Recreation Committee requested the General Manager, Children's Services to report to the Committee's September 20, 2016 meeting on the provincial announcement on Child and Family Centres, a summary of current services in Toronto, and the proposed public consultation and municipal engagement strategy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD13.12>

## **COMMENTS**

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### **Background - OEYCFC Service System in Toronto**

Currently in Toronto, there are four different Ontario Ministry of Education funded programs delivering services to parents/caregivers and their children aged 0-6 years.

These programs are free, often operate on a drop-in basis, and provide opportunities to learn about child development, make connections with other families, and provide referrals to other community services focused on the early years. These programs have historically been known under a number of different names, including family support programs and family resource programs.

On February 19, 2016, the Ministry of Education announced the transformation of four Provincially-funded child and family programs, which will be integrated and rebranded as Ontario Early Years Child and Family Centres (OEYCFCs). Service system managers will be responsible for the system management and planning of these centres/programs starting in 2018 (Toronto Children's Services is the service system manager for child care and early years programs in Toronto). OEYCFCs are envisioned to provide parents, caregivers and their children with access to a core suite of high-quality early years programs and enhance public awareness of available programs and services. Programs are envisioned to be distributed based on demonstrated community needs, and integrated with other relevant early years and community services.

The four program types being rebranded as OEYCFCs are:

- Two Better Beginnings, Better Futures (BBBF) programs delivered by two community agencies and currently funded by the Province.
- 44 Family Resource Programs delivered by 34 agencies and either partially or fully funded by the City.
- 24 Ontario Early Years Centres (OEYCs) including Aboriginal and French-language centres, delivered by 20 agencies with 118 satellite locations delivered by the funded agency or a third party. These programs are currently fully funded by the Province.
- 98 Parenting and Family Literacy Centres (PFLCs) fully funded by the Province and delivered by three school boards (TDSB, TCDSB, and the French Public School Board, Conseil scolaire Viamonde).

Beginning in 2018, all of the above programs will collectively be known as OEYCFCs. These programs will be funded to provide the same set of mandatory core services to support continuity across the system. The mandatory core services are organized into three areas: engaging parents and caregivers, supporting early learning and development, and making connections for families. The current state of this service system in Toronto is large and complex. In sum, there are currently 63 agencies delivering services at more than 262 OEYCFC program locations. Approximately 300 OEYCFC staff served 76,168 children and 63,775 parents/guardians in 2016.

Effective January 1, 2018 Toronto Children's Services, as the Consolidated Municipal Service Manager (CMSM) will be legislatively responsible for the local management of this system, similar to the Division's current responsibility for the service system management of child care. Legislative responsibility under this role as outlined in the Child Care and Early Years Act, 2014 (CCEYA), is as follows:

- Establish, administer, operate and fund early years programs, including providing assistance to operators and evaluating and assessing the impact of public funding;
- Deliver and administer local policies respecting the operation of early years programs and services;
- Coordinate the planning and operation of early years programs and consult with school boards and other prescribed persons or entities in accordance with the legislation; and,
- Assess the economic viability of early years programs and facilitate changes to make programs more viable.

This section of the report discusses the engagement and planning work to date that has informed the Draft Initial Plan, the Provincial allocation announcement, Toronto's responsibilities as service system manager, and resources required to fulfill those responsibilities.

## **Comments**

### **Engagement and Planning Work to Date**

In July 2016, the Ministry of Education released planning guidelines for OEYCFCs. These Guidelines require CMSMs to submit an Initial Plan to the Ministry by September 29, 2017. The objective of the Initial Plan, (attached in draft form for approval) is to summarize the completed needs assessment work, and provide a description of initial priorities and plans for the OEYCFC system in Toronto.

To inform the Draft Initial Plan, an external consultant, funded by the Ministry of Education, was contracted through an RFP process to conduct research on the current state of the child and family population in Toronto, and the availability of OEYCFC services across the City. A needs assessment was also carried out by engaging with a diverse set of families from across the City. Over 4,000 families participated in the needs assessment through a variety of methods, including:

- English language online survey
- French language online survey
- Newcomer, Indigenous, and French-language field surveys
- Focus groups with Indigenous families, French-speaking families, and families with children with special needs
- Focus groups with service providers, including management and front-line staff
- Key informant interviews with sector leaders

For more information on the needs assessment and its findings, please see the attached Draft Initial Plan.

Engagement with sector stakeholders has also been a critical part of the work conducted in 2016-2017 to inform the Draft Initial Plan. Beginning in June 2016, Children's Services launched its "Road Ahead Conversations," a series of stakeholder engagement and planning roundtables with representatives from all agencies currently

operating child and family programs in the City of Toronto. These sessions have provided important opportunities to discuss Provincial announcements, identify challenges for the Toronto service system, and begin planning a collective approach to transformation. Seven of these sessions have been held as of August 2017, with an eighth scheduled for September.

In October 2016, Children's Services convened an Advisory Table consisting of representatives from service provider agencies, School Boards, other City Divisions, and community partners and funders such as the United Way. The purpose of the Advisory Table has been to guide the community needs assessment process and inform the development of the Initial Plan for Toronto. This group has met ten times, with another meeting planned for September.

In addition to the planning and engagement outlined above, a critical priority for Children's Services over the summer and through the Fall has been executing the transfer of administrative responsibility for these programs. A significant amount of time and resources have been required to prepare for the transfer, including revising existing contracts, establishing new contracts, developing business, reporting, and contract management practices, and ongoing engagement with provider agencies. The primary objective of Children's Services in this transfer stage of planning is to ensure that all contractual agreements and technical requirements are in place so that payments can be made by January 1, 2018, to ensure a seamless transition for service providers and continuity of services for children and families.

### **Provincial Allocation**

On June 16<sup>th</sup>, 2017, the Province of Ontario announced 2018 allocations for service system managers related to OEYCFCs. This includes an additional Province-wide investment of \$40 million through the Canada-Ontario Bilateral Agreement and Action Plan on Early Learning and Child Care.

Effective 2018, the Ministry of Education has established a new funding approach to determine the allocation of resources to municipalities. This allocation is guaranteed for 2018 and 2019. Each municipality was given a base allocation of \$250,000 with the remaining funding distributed based on the following data elements:

- Number of children aged 0-6
- Low-Income Cut Off (LICO) score
- Number of families that speak French at home
- Number of Indigenous children aged 0-4
- Number of families that speak a language other than English or French at home
- Population density

It should be noted that these data elements were gathered from 2011 data sources. This funding approach will be revisited on a three year cycle. Based on the above formula, the City of Toronto's allocation is \$26,989,218 in each of 2018 and 2019.

In 2017, the Provincial investment in these services in the City of Toronto was approximately \$21.6 million, meaning there will be an increased investment of

approximately \$5 million, or 22%. Beginning in 2018, OEYCFC programs will be 100% funded by the Province with funds flowing through the City. Funding for this program will be reflected in the Division's 2018 Operating Budget as a New and Enhanced Service. This additional funding will be confirmed as part of the 2018 budget process. Children's Services has proposed an increase of payments to Agencies as part of the OEYCFC 2018 budget process. However, the magnitude of individual agency increases will be contingent upon the agency's budget submissions, which will be received in Q4 of 2017.

Toronto Children's Services has historically maintained investments in the child and family programs sector, both to help offset inflationary cost increases for agencies and meet additional local demand that is otherwise unmet through Provincial funding. In 2017, this City investment totalled \$2,334,600. The Ministry of Education encourages municipalities to maintain or enhance current investments in the OEYCFC sector. It is recommended that the City continue this investment to ensure services are responsive to unique, local community needs.

A maximum of 10% of the Provincial allocation can be used for administration expenses by the municipality. The 14.0 positions required for administration of this program represent a total cost of \$1,760,803, amounting to 6.5% of the Provincial allocation.

### **Capital Funding Opportunities**

On June 16, 2017, the Ministry of Education announced a one-time \$30 million investment across the Province through the Canada-Ontario Bilateral agreement to support community based capital retrofit, renovation, and expansion opportunities for OEYCFCs. Children's Services is still awaiting details on this funding including guidelines and Toronto's allocation.

In addition to this upcoming investment, ongoing opportunities for capital funding for OEYCFCs are made available through the recently launched Early Years Capital Program. This program focuses on schools-based "stand alone" child care and/or child and family program capital funding. The priority for this funding is the construction of new licensed child care spaces, and as such there is a limited amount of funds available across the Province for child and family centres.

As part of the Draft Initial Plan, Children's Services will develop an evidence-based framework for determining priority neighbourhoods for new OEYCFC locations. This will include the assessment of concentrations of children aged 0-6, changes in the population of children aged 0-6 over the past ten years, the current availability and utilization of programs, and child and family inequity scores from Raising the Village, among others.

### **Responsibilities as Service System Manager**

In July 2017, the Ministry released the 2018 Business Practices and Funding Guidelines for Service System Managers (hereafter referred to as the Guidelines), which outlines the service system management requirements associated with OEYCFC administration. The Ministry's vision and objectives for the integration of these programs is significant.

Beginning in 2018, Children's Services has the following systems planning and coordinating responsibilities for the OEYCFC system:

- **Needs assessment:** Conduct ongoing local needs assessments to ensure programs are meeting community needs and are responsive to changing demographics;
- **Program distribution:** Enhance, relocate, or reconfigure programs to meet identified needs;
- **Integration:** Better integrate early years programs with other existing services available to children and families;
- **Engagement:** Regularly engage with parents, caregivers, providers, and other stakeholders in the planning and management of early years programs;
- **French-language and Indigenous services:** Municipalities are required to ensure culturally and linguistically appropriate services are available to meet these unique community needs. Partnerships and engagement with these communities will be crucial to planning services that are appropriate and responsive;
- **Capital development:** Prioritize and manage the development of new capital sites for OEYCFCs, including responding to opportunities in schools, new residential and commercial developments, and opportunities for retrofits of existing sites; and
- **Evaluation:** Build outcomes-based evaluation frameworks in to program monitoring to ensure services yield the best outcomes for children and families, and to monitor the impact of investments made across the City.

As identified in the Draft Initial Plan, a critical priority for the Division will be the development of an equity-based approach to planning, program development, and financial allocations. Children's Services is committed to ensuring that new investments and reallocations of resources are based on demonstrated community need and engagement. Developing an evidence-based approach to measuring local needs against available services will assist the Division in ensuring OEYCFCs respond to the unique and changing needs of Toronto's children and families. It is important to note that at this time there are no plans for the re-allocation of investments, and no centres will experience reductions in their allocations for 2018, assuming that there is no change in service delivery levels. Any decisions about re-allocating funds will be made through a deliberate, transparent and evidence-based process, and will be contingent on Provincial funding.

### **Resources required to manage transformation**

Ensuring the early years system meets Provincial and City priorities and Provincial regulatory requirements is critical to advancing evidence-based, inclusive, integrated, and high-quality programs. However, the planning and implementation of this system represents a significant increase in the administrative responsibilities of Children's Services. In total, the Division will be responsible for managing contracts and monitoring programs with agencies operating at over 262 sites, and will be responsible for the expenditure of over \$27 million in public funds.



While the Division does not acquire administrative responsibility or funding for these programs until 2018, significant work has been required throughout 2017 to ensure that requirements can be met beginning in 2018. This includes:

- Establishing and executing new service agreements with eight agencies who currently do not have a service agreement with Children's Services to ensure payment by January 1, 2018;
- Developing budget and reporting guidelines and business practices for agencies in alignment with the Provincial Guidelines;
- Writing the Initial Plan, conducting the needs assessment and current state assessment in partnership with an external consultant; and
- Ongoing stakeholder engagement through the Road Ahead and Advisory Table

In addition to the initial work conducted up to this point, beginning in January 2018 the Division will have additional, ongoing responsibility for a significant suite of administrative, planning, and management initiatives. These include:

- Contract management of 50 agencies including ensuring financial and administrative accountability, analysis and approval of budgets, and monitoring financial data and service levels;
- Developing quality assessment methods to ensure programs are delivered in alignment with the Provincial framework *How Does Learning Happen?*;
- Ensuring qualified staff teams are employed and delivering core services at each program location (i.e. an RECE must be employed to provide core services at each program);
- Approving, tracking, and resolving temporary exemptions to the RECE requirements for those agencies currently unable to employ an RECE for the delivery of programs;
- Ensuring appropriate policies and procedures are in place to protect the health and safety of children, parents/caregivers, and staff (including vulnerable sector screens, first aid and emergency plans, sanitation and maintenance, health & safety policies, and complaints and resolutions processes);
- Receiving, tracking, and responding to serious occurrence incident reports;
- Developing communications materials, including web-based platforms, for parents/caregivers to learn about the suite of programs available, and for communication with operators;
- Building and maintaining information and technology systems to receive, manage, and report on service and financial data as required by the Ministry, and to increase the efficiency of Divisional administrative operations;
- Developing evidence-based and equitable approaches to resource investment and capital opportunities to ensure system growth responds to identified need, and updating these frameworks as more data becomes available, and;
- Significant ongoing stakeholder engagement and change management, given the volume of change anticipated for the sector and its workforce.

The above requirements represent a substantial increase to the administrative responsibilities of the Division, and will be ongoing beyond 2018. In particular, the need to ensure Provincial RECE requirements are met, and the granting and monitoring of

temporary exemptions, is a significant new requirement for the sector. Because Children's Services does not currently have contractual relationships with many of these child and family programs, and there are at least 300 staff working in the sector, it is unknown at this time how significant efforts to track and resolve exemptions will need to be. Monitoring programs for the necessary health and safety requirements, and maintaining serious occurrence reporting processes, are also major new tasks given that over 75,000 children visited such programs in Toronto in 2016.

Currently, these programs have different services, mandates, governance structures, staffing and management practices, and historic funding agreements and sources. It is important to note that 2018 will be the first year in which planning for investments and program locations can be made for the system as a whole. Integrating these programs, and creating planning linkages and pathways to other early years services (e.g. child care, speech and language support, special needs) will be an ongoing responsibility of the City of Toronto as service system manager.

Children's Services has undertaken an analysis of the tasks and duties associated with its service system management requirements. Based on this analysis, 14 positions are required under the following roles as part of a new unit within the Division to administer and transform the OEYCFC sector:

- One (1) Program Manager with overall management and direction responsibilities;
- Three (3) Consultants, one to lead Indigenous focussed service improvements and expansions, two to lead planning and strategic projects related to the service system management requirements outlined above;
- Four (4) Community Development Officers, one for each of the four operational Districts in Children's Services. Community Development Officers will perform agency review and monitoring functions, as well as lead local integration of OEYCFCs with other early years and community services;
- One (1) Training and Development Coordinator, responsible for leading OEYCFC staff capacity building projects, developing training tools and modules to ensure programs are culturally responsive and align with *How Does Learning Happen*;
- One (1) Research Analyst responsible for data management, reporting, and research tasks related to transformation;
- One (1) Budget Coordinator, responsible for the analysis of agency operating budgets, supporting financial planning of additional revenues, monitoring capital expenditures, and overseeing central functions related to contract administration;
- One (1) Senior Project Manager to lead the development of new business processes and IT infrastructure for service system management;
- One (1) Senior Business & Systems Analyst to support IT infrastructure development; and
- One (1) Business Analyst, responsible for the development of new business processes in partnership with Divisional Information & Technology teams.

This unit will lead the OEYCFC transformation and ongoing planning and management as set out above and will report to the Director, Service System Planning & Policy Development. The cost of the unit inclusive of salaries and benefits is \$1,760,803, and will be fully funded within the 10% administration envelope of the City's funding

allocation. This represents 6.5% of the Provincial allocation, and is in keeping with the Division's standard practice of using well below 10% of resources for administration.

## **Next Steps**

September 29, 2017: Submission of the Draft Initial Plan to the Ministry of Education (attached).

Fall 2017: The Ministry is expected to release further details on the capital program, including allocations for the City of Toronto and eligible funding categories. The Ministry is also expected to release further information on a Provincial Child and Family Centre website, and branding requirements.

January 2018: Beginning of municipal administration responsibility and transfer of service system management to municipalities.

June 2018: Implementation update due to the Ministry of Education, describing progress in implementation of Initial Plan and tracking progress on Ontario's commitments under the Canada-Ontario Bilateral Agreement to increase OEYCFC program access and usage.

2018-2019: Ongoing work with the community in planning and implementing transformation.

The attached Draft Initial Plan includes a summary of recommendations emerging from the needs assessment work conducted in 2017, and to be implemented in 2018 and 2019. The first priority among these recommendations is to develop a needs-based, transparent, and equitable framework for guiding investments in service expansion. This framework will be used to determine how the division will prioritize the expenditure of additional resources to achieve the greatest impact. Other priorities include:

- The development of evaluation and monitoring practices;
- Establishing an IT system to ensure administration is efficient for the Division and for Agencies;
- The development of quality standards,
- Increasing staff capacity and developing the workforce, including the monitoring of RECEs across the sector

2019: Development of 2020-2024 Service Plan which will set out the Division's Plan for the ongoing management of OEYCFCs.

## **Conclusion**

Toronto City Council has long advocated for this integration of early years child and family programs within the municipal service system mandate. Children's Services staff is pleased to see this vision becoming a reality. The integration of programs and transfer of service system management responsibility to municipalities provides an opportunity for the City of Toronto to build a more evidence-based, cohesive, and

community-led early years service system that best meets the needs of children and families. The announcements from the Provincial and Federal governments of additional resources for the OEYCFC sector will assist in building the capacity of the system to meet these needs, and marks an important step forward for the sector.

## **CONTACT**

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

## **SIGNATURE**

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Elaine Baxter-Trahair  
General Manager, Children's Services

## **ATTACHMENTS**

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Attachment 1: OEYCFCs in Toronto, Initial Service Plan: From Transfer to Transformation, 2018-2020.