

Toronto 2018 BUDGET



OPERATING BUDGET NOTES



Children's Services

2018 OPERATING BUDGET OVERVIEW

Toronto Children's Services promotes access to high quality early learning, and provides child care and supports for families through a well-planned and managed system. All families in Toronto benefit from a range of services that promote healthy child development and family well-being.

2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$551.561 million gross and \$80.584 million net as shown below:

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	537,902.3	551,561.3	13,659.0	2.5%
Revenues	457,219.4	470,977.6	13,758.2	3.0%
Net Expenditures	80,682.9	80,583.7	(99.2)	(0.1%)

For 2018, the Program faced pressures arising mainly from the inflationary impact of the cost of purchased child care, salaries and benefits changes, and an increase in complement to accommodate legislative changes in staffing ratios as well as the need to continue funding for occupancy grants for child care centres located in the schools.

Through base budget reductions, operational efficiencies and revenue changes, including a draw from the Child Care Expansion Reserve Fund as a bridging strategy, the Program was able to fully offset \$6.099 million in operating budget pressures.

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FAST FACTS

- Toronto's licensed child care system includes approximately 72,000 spaces for children from birth to 12 years.
- Toronto Early Learning and Child Care Services (TELCCS) has 52 centres and one home child care agency serving over 3,000 children.
- Together with community agencies, Children's Services provides support to more than 990 child care operators, ensuring that children with special needs and their families can participate in child care programs.

TRENDS

- Children's Services continues to focus on improving customer service through business transformation, automation and by providing access through a variety of service channels, including:
 - The introduction of an Online Service Request System that will allow more than 990 child care operators to ensure children with special needs and their families receive support to participate in child care programs;
 - The launch of "My Child Care Account" will provide families with a variety of self-service functions including access to information about child care options and an online application for child care fee subsidy.
- The increase in online functionality reflecting the upgrades made possible by the completion of the *Customer Service Improvement* capital project, which will be further improved with the implementation of the *Growing Child Care for Toronto* project.

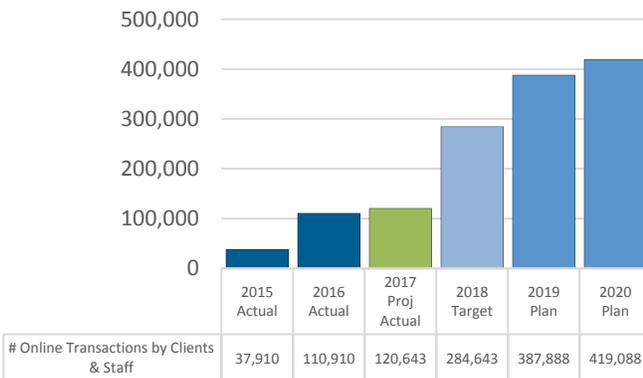
KEY SERVICE DELIVERABLES FOR 2018

Children's Services is responsible for managing Toronto's Child Care system in accordance with the Council approved 2015-2019 Children's Services Service Plan and Provincial guidelines and within the provincially legislated requirements of the Child Care and Early Years Act, 2014.

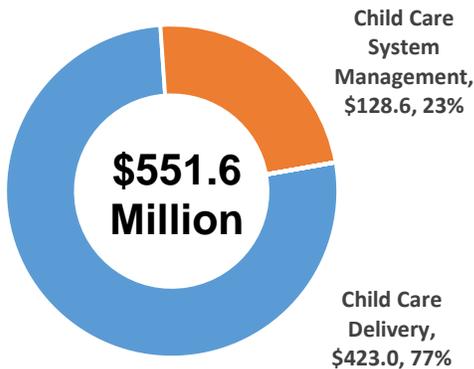
The 2018 Preliminary Operating Budget will fund the delivery of the following:

- 28,975 child care subsidies;
- 679 contracted child care centres with contracts for fee subsidy;
- 10 home child care agencies with fee contracts for subsidy;
- 68 additional child care centres with contracts for General Operating Grant;
- 900+ centres with agreements for Provincial Wage Enhancement;
- 52 Toronto Early Learning & Child Care Service Centres and 1 home child care agency;
- 21 agencies providing service for children with special needs;
- Assume a new service system management role for 262 EarlyON Child and Family Centre locations to be known as CFC's;
- 34 summer day programs;
- 51 after-school & recreation programs (ARC); and
- New projects to support growth in licensed child care spaces across the City.

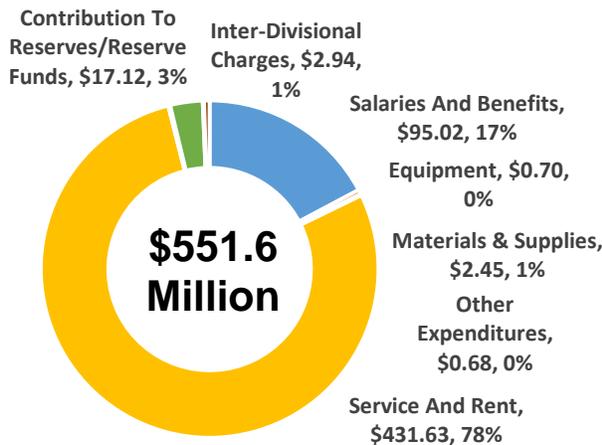
Online Transactions Performed by Clients & Staff



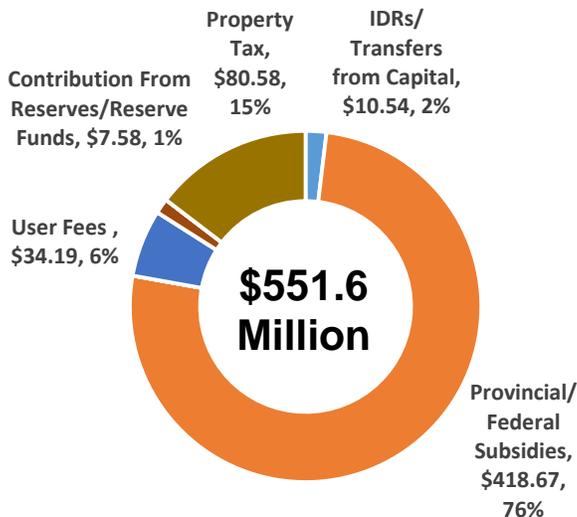
**Where the money goes:
2018 Budget by Service**



2018 Budget by Expenditure Category



**Where the money comes from:
2018 Budget by Funding Source**



OUR KEY ISSUES & PRIORITY ACTIONS

- **Manage new and expanded responsibilities** as a result of provincial legislation and regulatory changes.
 - ✓ The 2018 Preliminary Budget includes \$2.0 million in funding for 26.4 new positions resulting from legislative changes to address the staffing ratios in 52 Early Learning Centres.
- **Expand fee subsidies and public funding for operators** to support Toronto's low-income children age 0-12, and invest to support a thriving work force.
 - ✓ With the new Provincial / Federal growth funding, 2,616 new subsidies were added in 2017, bringing the total budgeted subsidies to 28,975. 1 new and enhanced priority for \$12.0 million to add 825 new spaces in 2018 is included on the list of New and Enhanced Priorities for Budget Committee's consideration during the 2018 budget process.
 - ✓ The 2018 Preliminary Budget includes funding of \$0.950 million for operators to offset operating costs to keep fees lower for families.
 - ✓ Develop policies and controls to ensure that public funding reduces parent fees and improves affordability.

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Preliminary Operating Budget for Children's Services is \$551.561 million gross \$80.584 million net representing a decrease of 0.1% to the 2017 Approved Operating Budget. The Program was able to meet the budget target from savings identified through the following measures:
 - ✓ Base expenditure reductions (\$0.278 million).
 - ✓ Efficiency savings (\$0.099 million).
 - ✓ Revenue changes (\$5.821 million).
- Staff complement will increase by 24.7 from 2017 to 2018.
- The 2018 Preliminary Operating Budget provides funding for :
 - ✓ \$7.803 million in additional funding to Child Care providers for the cost of purchased child care.
 - ✓ \$1.976 million in additional administrative funding to manage system growth.
 - ✓ \$5.821 million as a bridging strategy to reinstate Occupancy Grant funding to 4 school boards to cover the operating costs associated with child care programs.

Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Children's Services of \$551.561 million gross, \$80.584 million net for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Child Care Delivery	423,001.1	71,301.4
Child Care System Management	128,560.2	9,282.3
Total Program Budget	<u>551,561.3</u>	<u>80,583.7</u>

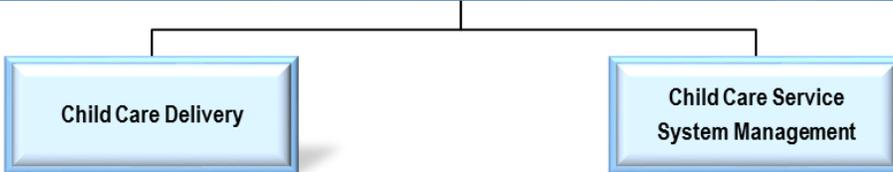
2. City Council approve the 2018 service levels for Children's Services as outlined on pages 14 and 18 of this report, and associated staff complement of 1,032.2 positions, comprising 1,028.2 operating service delivery positions and 4.0 capital project delivery positions.



Part 1

2018-2020 Service Overview and Plan

Program Map



Purpose:
 To deliver high quality child care in high needs communities.

Purpose:

- To plan and manage Toronto's Child Care system in accordance with Council approved Child Care Service Plan and provincial guidelines.
- To grant child care subsidies to eligible families in accordance with provincial guidelines and Council approved principles of age and geographic equity.



Service Customer

Child Care Delivery

- Parents / Guardians
- Children in Child Care

Indirect (Beneficial)

- Resident Families and Children
- Child Care Service Providers

Child Care Service System Management

- Parents / Guardians
- Province of Ontario
- Children in Child Care

Indirect (Beneficial)

- Resident Families and Children
- Child Care Service Providers

Table 1
2018 Preliminary Operating Budget and Plan by Service

(In \$000s)	2017		2018 Preliminary Operating Budget			2018 Preliminary vs. 2017 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget			2019 Plan	2020 Plan		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Child Care Delivery											
Gross Expenditures	409,723.2	393,023.2	423,001.1	0.0	423,001.1	13,277.8	3.2%	8,977.3	2.1%	8,266.8	1.9%
Revenue	343,256.3	338,556.3	351,699.7	0.0	351,699.7	8,443.5	2.5%	(728.3)	(0.2%)	(2,150.0)	(0.6%)
Net Expenditures	66,467.0	54,467.0	71,301.4	0.0	71,301.4	4,834.4	7.3%	9,705.6	13.6%	10,416.8	12.9%
Child Care System Management											
Gross Expenditures	128,179.1	128,179.1	128,560.2	0.0	128,560.2	381.1	0.3%	2,408.8	1.9%	1,271.6	1.0%
Revenue	113,963.1	113,963.1	119,277.9	0.0	119,277.9	5,314.8	4.7%	1,066.0	0.9%	(5,871.2)	(4.9%)
Net Expenditures	14,216.0	14,216.0	9,282.3	0.0	9,282.3	(4,933.6)	(34.7%)	1,342.8	14.5%	7,142.8	67.2%
Total											
Gross Expenditures	537,902.3	521,202.3	551,561.3	0.0	551,561.3	13,659.0	2.5%	11,386.1	2.1%	9,538.4	1.7%
Revenue	457,219.4	452,519.4	470,977.6	0.0	470,977.6	13,758.2	3.0%	337.7	0.1%	(8,021.2)	(1.7%)
Total Net Expenditures	80,682.9	68,682.9	80,583.7	0.0	80,583.7	(99.2)	(0.1%)	11,048.5	13.7%	17,559.6	19.2%
Approved Positions	1,007.5	1,007.5	1,032.2	0.0	1,032.2	24.7	2.5%	(0.0)	(0.0%)	0.0	

The Children's Services' 2018 Preliminary Operating Budget is \$551.561 million gross and \$80.584 million net, representing a 0.1% decrease to the 2017 Approved Net Operating Budget which is under the reduction target set out in the 2018 Operating Budget Directions and Guidelines approved by Council.

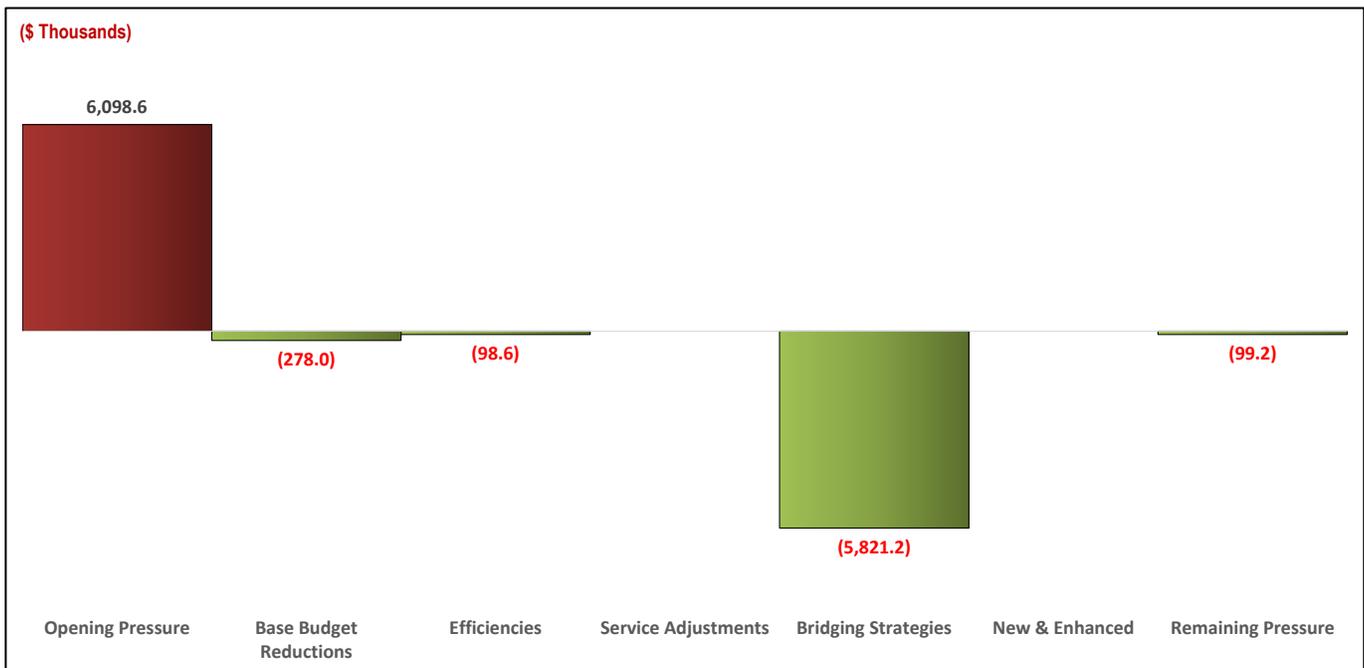
- Base pressures are mainly attributable to the increase in cost of purchased child care due to inflation and change in case mix; known salaries and benefit increases; the annualization of positions added in 2017 to support growth; and increase in the cost of maintenance based on the needs of the 52 City operated child care centres.
- Revenue adjustments include Provincial funding for positions added in 2017 to support growth; increased base provincial funding, and an increase in the parental contribution to the cost of child care, based on the actual change in family income mix.
- To help mitigate the above pressures, the Program was able to achieve budget reductions through base expenditure reductions to align the budget with actual experience, efficiency savings from the *Customer Service Improvement* capital project and through merging a satellite site at the Warden Woods TELCCs. A contribution of \$5.821 million from the Child Care Expansion Reserve Fund will fund Occupancy Grants to the 4 district school boards as a bridging strategy.
- Approval of the 2018 Preliminary Operating Budget will result in Children's Services increasing its total staff complement by 24.7 positions from 1,007.5 to 1,032.2.
- The 2019 and 2020 Plan increases are primarily attributable to the increase in the cost of purchased child care; known impact of COLA, progression pay and step increases. The 2020 Plan includes the loss of funding from the National Child Benefit Supplement Reserve Fund, which creates a \$2.2 million pressure to maintain the current service levels.

The following graphs summarize the operating budget pressures for Children's Services and the actions taken that offset these pressures.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	2018 Base Operating Budget		Total	
	Child Care Delivery	Child Care System Management		
	\$	\$	\$	Position
Gross Expenditure Changes				
Prior Year Impacts				
	236.5		236.5	
1	2,634.2	(658.2)	1,976.0	
3		(5,821.2)	(5,821.2)	
	49.8		49.8	(0.1)
	(98.4)		(98.4)	(1.5)
Salaries and Benefits				
	563.6	1,045.3	1,608.9	
Economic Factors				
	16.9	0.1	17.1	
	5,806.6	1,046.6	6,853.2	
	950.0		950.0	
Other Base Expenditure Changes				
	1,566.2	434.6	2,000.8	26.4
3		5,821.2	5,821.2	
	1,853.2	(1,616.9)	236.3	
	(41.2)		(41.2)	
2		339.0	339.0	
	76.4	(168.8)	(92.4)	
Total Gross Expenditure Changes	13,613.9	421.8	14,035.6	24.7
Revenue Changes				
Base Revenue Changes				
1	2,634.2	(658.2)	1,976.0	
	2,941.1		2,941.1	
	(753.4)	(187.2)	(940.6)	
2		339.0	339.0	
	3,621.5		3,621.5	
Total Revenue Changes	8,443.4	(506.4)	7,937.0	
Net Expenditure Changes	5,170.4	928.2	6,098.6	24.7

Key cost drivers and offsetting cost reductions for Children's Services are shown in Table 2 above. The following describes major base budget changes for 2018:

Gross Expenditure Changes

- Prior Year Impacts:
 - In addition to the reversal of the Occupancy Grants for 4 school boards of \$5.821 million, which is in accordance with approval of the 2017 Operating Budget, pressures of \$2.613 million include the annualization of positions added in 2017 to manage growth; and an increase in the cost of maintenance for the municipally managed child care centres; and a reduction of \$0.049 million from realigning services at Warden Woods and the annualization of the closure of Capri Child Care Centre.

- Salaries and Benefits
 - Known COLA, step and progression pay increases will add a pressure of \$1.609 million
- Economic Factors:
 - The inflationary impact of the cost of purchased child care, comprised of \$6.853 million for a 2.1% COLA increase, and \$0.950 million for an increase in the General Operating Grant for a total impact of \$7.803 million in 2018.
- Other Base Changes
 - \$2.442 million pressure is a result of \$2.000 million for the 26.4 new positions required to comply with legislated changes that require an increase in staffing ratios; \$0.236 million in Purchased Child Care subsidies due to a change in age mix and \$0.339 million to deliver the *TCS Growing Child Care for Toronto* capital project.
 - In accordance with the report CD21.9 "*Funding Formula for Occupancy Costs*" adopted by City Council at its meeting on July 4, 2017, requesting that grant funding for occupancy costs for child care centres located in four district school boards be included in the 2018 budget, will create a pressure of \$5.821 million net.

Base Revenue Changes

- \$7.937 million in revenue adjustments, comprised of \$3.622 million from an increase in parental contribution to the cost of child care, reflecting a change in the family income mix; \$2.941 million as a base increase in Provincial subsidy, and \$1.976 million in Provincial funding to fully fund new positions to manage growth.
- \$0.940 million reduction in the Program's Contribution to Capital as a result of the conclusion of Customer Service Improvements project in 2018, offset by an increase of \$0.339 million in Provincial funding to deliver the new Growing Child Care for Toronto project.

In order to achieve the budget reduction target, the Children's Services' 2018 Preliminary Operating Budget includes base expenditure savings of \$0.278 million net, service efficiency savings of \$0.099 million net and revenue adjustments of \$5.821 million net, for a total of \$6.198 million net as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2018 Preliminary Service Change Summary

Description (\$000s)	Service Changes				Total Service Changes			Incremental Change			
	Child Care Delivery		Child Care System Management		\$	\$	#	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:											
Base Expenditure Changes											
Line-by-line savings	(238.7)	(238.7)	(39.4)	(39.4)	(278.0)	(278.0)					
Base Expenditure Change	(238.7)	(238.7)	(39.4)	(39.4)	(278.0)	(278.0)					
Service Efficiencies											
Efficiency savings from customer service improvements	(13.9)	(13.9)	(1.3)	(1.3)	(15.2)	(15.2)		(130.0)			
Warden Woods merging with satellite site efficiency savings	(83.5)	(83.5)			(83.5)	(83.5)					
Sub-Total	(97.4)	(97.4)	(1.3)	(1.3)	(98.6)	(98.6)		(130.0)			
Revenue Adjustments											
Draw from Child Care Expansion Reserve for Occupancy Grants				(5,821.2)		(5,821.2)					
Sub-Total				(5,821.2)		(5,821.2)					
Total Changes	(336.0)	(336.0)	(40.6)	(5,861.8)	(376.7)	(6,197.9)		(130.0)			

Children's Services was able to meet the budget target by offsetting budget pressures with the following measures:

Base Expenditure Changes (Savings of \$0.278 million gross & net)

Base Reductions to Align Budget with Actual Expenditure

- Savings of \$0.278 million net will be realized from the review of historical spending that aligns the budget to reflect actual expenditures. Savings are derived primarily from various reductions as a result of line-by-line analysis.

Service Efficiencies (Savings of \$0.099 million gross & net)

Customer Service Improvements

- \$0.015 million in efficiency savings from the *Customer Service Improvements* project will be realized, derived primarily from a reduction in office supplies and photocopying.

Warden Woods Amalgamation

- Savings of \$0.084 million will be realized from consolidating Warden Woods and Warden Woods Satellite TELCCCs into one location. Savings are derived primarily from a reduction in rental and catering costs.

Revenue Adjustments (\$5.821 million net)

Reinstatement of Occupancy Grant Funding

- The Province's current Education Funding Formula for Boards of Education does not include the occupancy cost of early learning and child care space in schools.
- The current occupancy agreements between the City and the four school boards covers the school boards operating costs associated with child care programs located in schools. Currently not all child care centres in schools are covered by the existing occupancy agreements. Across the sector 35% of child care centres benefit from the occupancy agreement, while 65% of centres do not receive this benefit.
- As a result, the Occupancy Grant in school board facilities that receive the grant, subsidizes full-fee paying parents with children in these schools, while full-paying parents with children in the school board facilities that do not receive the Occupancy Grant do not benefit from this subsidy.
- As part of the 2017 Budget process, City Council increased the 2017 Operating Budget for Children's Services by \$1.133 million gross and net to reinstate for 2017 only, with the Occupancy Grant funding for child care centres located in the four school boards currently covered by the Occupancy Agreement.
- At its meeting on July 4, 2017, City Council adopted the report, CD21.9 "*Funding Formula for Occupancy Costs*" and requested the General Manager, Children's Services and the Deputy City Manager and Chief Financial Officer to include, as base funding pressure, grant funding for occupancy costs in child care centres located in the four district school boards, for consideration in the 2018 Operating Budget for Children's Services with other city priorities, and to continue work to identify and implement alternative funding.
- The 2018 Preliminary Budget includes funding of \$5.821 million to reinstate the occupancy grant funding to the 4 school boards. The funding will be provided from the Child Care Expansion Reserve Fund as a bridging strategy for 2018 and 2019.
- The continuation of occupancy grant funding beyond 2019 will be considered as part of the future year budget process after taking into consideration any policy and regulatory changes implemented by the Ministry of Education to improve the Education Funding Formula to include the occupancy cost and provision of security of tenure of early learning and child care space in schools.

Approval of the 2018 Preliminary Operating Budget for Children's Services will result in a 2019 incremental net cost of \$11.049 million and a 2020 incremental net cost of \$17.560 million to maintain 2018 service levels, as discussed in the following section.

Table 5
2019 and 2020 Plan by Program

Description (\$000s)	2019 - Incremental Increase				2020 - Incremental Increase			
	Gross Expense	Revenue	Net Expense	Position	Gross Expense	Revenue	Net Expense	Position
Known Impacts:								
Prior Year Impact								
Provincially funded expansion	59.6	59.6	(0.0)		40.7	40.7	0.0	
Warden Woods amalgamation / expansion	9.4		9.4		4.7		4.7	
Closure of Capri TELCCC	(1.5)		(1.5)		(0.4)		(0.4)	
Salaries and Benefits								
COLA, Progression & Step Increase	1,535.8		1,535.8		1,041.5		1,041.5	
Other Base Changes (specify)								
IDC/IDR	28.3		28.3		(18.4)	(2,200.0)	2,181.6	
Alignment of complement for TELCCS for compliance with Ministry guidelines	50.0		50.0		31.6		31.6	
Divisional Economic Factors	8,727.2		8,727.2		8,488.6		8,488.6	
Relocation of Lawrence East TELCCC	41.2		41.2		-			
Contribution to Capital TCS	1,066.0	1,066.0			(50.0)	(50.0)		
Revenue (specify)								
Increased provincial subsidy		(787.9)	787.9			9.3	(9.3)	
Sub-Total	11,516.1	337.7	11,178.5		9,538.4	(2,200.0)	11,738.4	
Anticipated Impacts:								
Other								
Efficiency savings from customer service improvements	(130.0)		(130.0)					
Occupancy Grants						(5,821.2)	5,821.2	
Sub-Total	(130.0)		(130.0)		-	(5,821.2)	5,821.2	
Total Incremental Impact	11,386.1	337.7	11,048.5		9,538.4	(8,021.2)	17,559.6	

Future year incremental costs are primarily attributable to the following:

The Outlooks add pressure of \$11.049 million in 2019 and \$17.560 million in 2020, as noted below:

Known Impacts:

- Known adjustments of \$1.536 million in 2019 and \$1.042 million are required for COLA, step and progression pay; contribution to capital to support the new capital project *Growing Child Care for Toronto*, with Provincial funding reduction of \$0.050 million in 2020.
- Other Base changes include the inflationary impact of purchased child care of \$8.727 million in 2019 and \$8.489 million in 2020.
- The loss of funding from the National Child Benefit Supplement Reserve Fund of \$2.200 million in 2020 reflects depletion of the reserve and moves the funding for 220 subsidies to the tax base to maintain current service levels.

Anticipated Impacts:

- Efficiency savings of \$0.130 million in 2019 reflect administrative savings beyond 2019 for the *Customer Service Improvements* capital project
- Funding of \$5.821 million for the continuation of the Occupancy Grants beyond 2019 moves to the tax base, pending the Provincial decision to fund occupancy costs for child care in schools.



Part 2

2018 Preliminary Operating Budget by Service

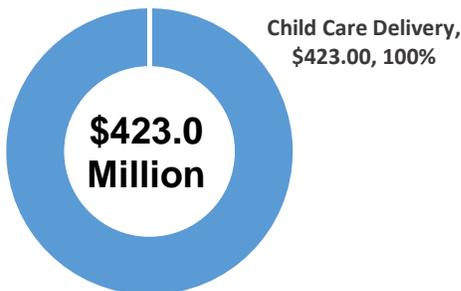
Child Care Delivery



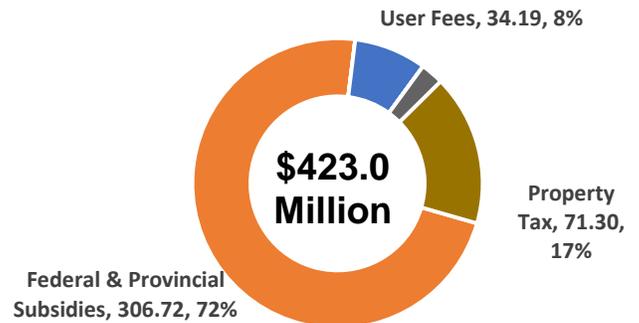
What We Do

- Provide fee subsidies to help eligible families with all or part of the cost of early learning and care.
- Deliver child care directly through the Toronto Early Learning and Child Care Services that provides enriched early learning and care service to families primarily in high-need and under-served neighborhoods with a focus on skill development and school readiness.
- Deliver in partnership with PF&R After School Recreation and Care programs (ARC).
- Provide Family Well-Being Support services, which include service and supports to improve positive outcomes for families and children.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



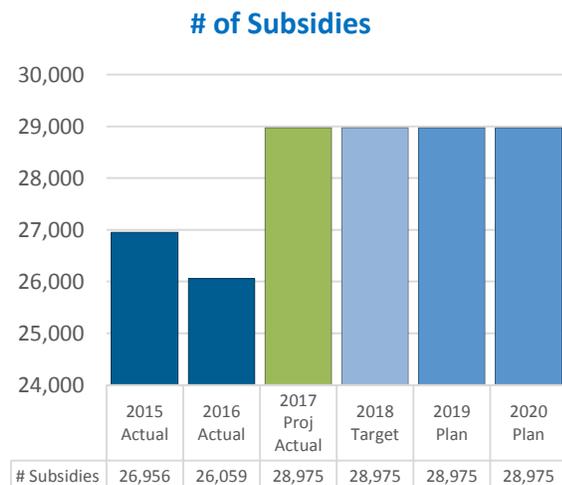
2018 Service Levels Child Care Delivery

Type	Sub-Type	Service Level Description	Status	2015	2016	2017	2018	
Early Learning and Education		Frequency annual	Approved	100%	100%	100%	100%	
			Actual					
Enriched Early Learning and Care	Infants	% occupancy of children placed through Toronto Early Learning and Child Care Services	Approved	98%	98%	98%	98%	
			Actual	96%	96%	98%		
	Toddlers	% occupancy of children placed through Toronto Early Learning and Child Care Services	Approved	98%	98%	98%	98%	
			Actual	96%	96%	98%		
	Pre-school Children	% occupancy of children placed through Toronto Early Learning and Child Care Services	Approved	98%	98%	98%	98%	
			Actual	96%	96%	98%		
	Kindergarten aged Children	% occupancy of children placed through Toronto Early Learning and Child Care Services	Approved	98%	98%	98%	98%	
			Actual	96%	96%	98%		
	School aged Children	% occupancy of children placed through Toronto Early Learning and Child Care Services	Approved	98%	98%	98%	98%	
			Actual	96%	96%	98%		
	Family Financial Support	Child Care Fee Subsidy *		Approved	25,116	26,359	28,975	28,975 *
				Actual	26,900	27,500	28,975	
Family Well-Being Support Care	Children with Special Needs Served		Approved	3,852	3,912	4,112	4,312	
			Actual	3,852	3,912	4,112		
	Family Resource Centres Programs		Approved	44	44	44	262	
			Actual	44	44	44		

Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Child Care Delivery, while targets have been adjusted to reflect the increased need for family financial support and family well-being support care in the community.

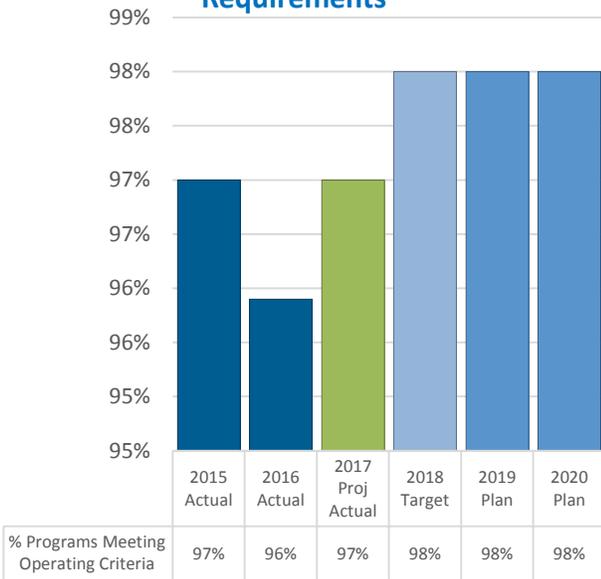
Note: 1 new and enhanced priority for \$12.0 million to add 825 new spaces in 2018 is included on the list of New and Enhanced Priorities for Budget Committee's consideration during the 2018 budget process.

Service Performance Measures



- Children's Services will deliver 28,975 child care subsidies in 2018 which are allocated across City wards based on the proportion of children in the living below the low income threshold, a service level increase of 2,616 from the 2017 budget.
- As a result of system expansion, the number of children served in the various programs and services delivered has increased from 58,164 in 2013 to 65,988 or 13.5% in 2017.
- In 2017, Children's Services is projecting to be slightly above target in delivering child care subsidies.

**Percentage of Programs Meeting
Assessment for Quality Improvement
Requirements**



- All child care centres with a service contract for fee subsidy or receiving base funding are assessed for quality standards. This assessment rates a centre's activities, learning, health & safety, and adult/child interactions by comparing them to the standards laid out in the Assessment for Quality indicators, a tool used to evaluate the City's expectations of quality for child care programs.
- For 2015, 97% of the centres met the operating criteria, with a slight decline in 2016 to 96%. The 2017 projections reflect an increase to 97%, with the 2018 Target and 2019 -2020 Plans at 98%.

Table 6
2018 Preliminary Service Budget by Activity

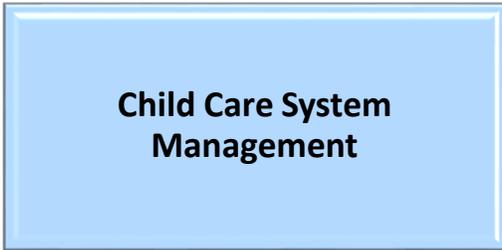
(\$000s)	2018 Preliminary Operating Budget										Incremental Change				
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget		New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget		2019 Plan		2020 Plan		
					\$	%			\$	%	\$	%	\$	%	
GROSS EXP.															
Child Care Delivery	409,723.2	423,337.1	(336.0)	423,001.1	13,277.8	3.2%		423,001.1	13,277.8	3.2%	8,977.3	2.1%	8,266.8	1.9%	
Total Gross Exp.	409,723.2	423,337.1	(336.0)	423,001.1	13,277.8	3.2%		423,001.1	13,277.8	3.2%	8,977.3	2.1%	8,266.8	1.9%	
REVENUE															
Child Care Delivery	343,256.3	351,699.7		351,699.7	8,443.5	2.5%		351,699.7	8,443.5	2.5%	(728.3)	-0.2%	(2,150.0)	(0.6%)	
Total Revenues	343,256.3	351,699.7		351,699.7	8,443.5	2.5%		351,699.7	8,443.5	2.5%	(728.3)	-0.2%	(2,150.0)	(0.6%)	
NET EXP.															
Child Care Delivery	66,467.0	71,637.4	(336.0)	71,301.4	4,834.4	7.3%		71,301.4	4,834.4	7.3%	9,705.6	13.6%	10,416.8	12.9%	
Total Net Exp.	66,467.0	71,637.4	(336.0)	71,301.4	4,834.4	7.3%		71,301.4	4,834.4	7.3%	9,705.6	13.6%	10,416.8	12.9%	
Approved Positions	921.8	955.2		955.2	33.3	3.6%		955.2	33.3	3.6%		0.0%			

The **Child Care Delivery** service provides fee subsidies through the use of contracted child care service delivery and through Toronto Early Learning Child Care (TELCC) centres that help eligible families meet the cost of early learning and care.

The 2018 Preliminary Operating Budget for the Child Care Delivery Service of \$423.001 million gross and \$71.301 million net is \$4.834 million or 7.3% over the 2017 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing additional budget pressures as a result of the following:
 - Inflationary impacts of \$7.803 million are included for the cost of purchased child care; and \$0.237 million for the increase in the cost of maintenance for the municipally managed child care centres;
 - Other base changes for \$3.454 million are comprised of \$1.566 million for the new positions required for legislated changes that require an increase in staffing ratios; \$1.853 million to re-align cost of Purchased Child Care between services and to reflect a change in age mix; and \$0.339 million to deliver the TCS Growing Child Care for Toronto capital project.
 - Revenue changes of \$5.809 million are comprised of a 1.5% increase in base Provincial funding, and an increase of \$3.270 million in the parental contribution to the cost of child care, based on actual experience in 2017.
- To help mitigate these pressures, savings of \$0.336 million are reflected in the 2018 Budget as service changes, with \$0.278 million from the review of historical spending that aligns the budget to reflect actual expenditures; \$0.015 million in efficiency savings from the completion of the *Customer Service Improvements* project; with savings of \$0.084 million from consolidating Warden Woods and Warden Woods Satellite TELCCs into one location.

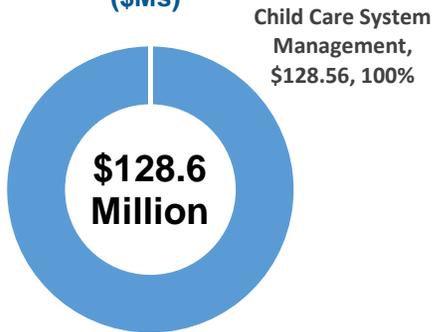
Child Care System Management



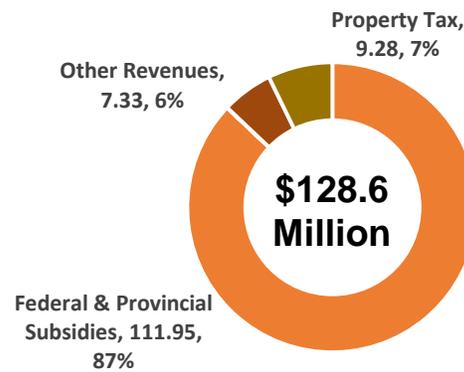
What We Do

- Plan and manage Toronto's Child Care system in accordance with the Council approved Child Care Service Plan and Provincial guidelines.
- As Consolidated Municipal Service Manager (CMSM) for the City of Toronto, plan and implement policies and programs within the Provincial legislative framework that are designed to meet specific local requirements. In this capacity, the City develops and implements planning processes and programs to address service gaps and ensure that local goals are met.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



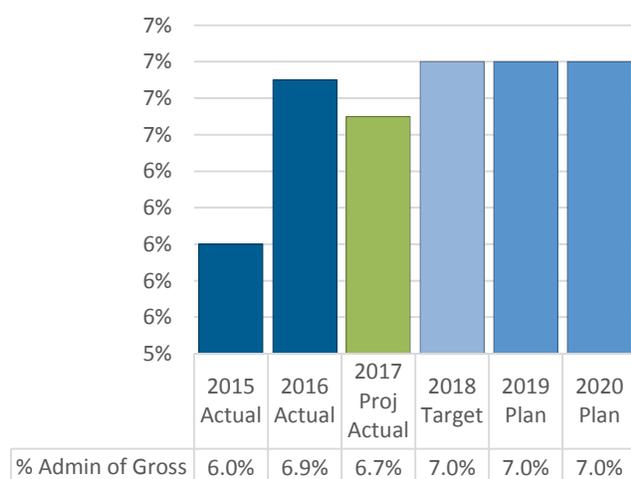
2018 Service Levels Child Care System Management

Type	Sub-Type	Status	2015	2016	2017	2018
Integrated Service System Planning	Service Plan	Approved	100%	100%	100%	100%
		Actual	100%	100%	100%	
	Service Plan - Curriculum Development	Approved	100%	100%	100%	100%
		Actual	100%	100%	100%	
	Service Plan - Policy Development	Approved	100%	100%	100%	100%
		Actual	100%	100%	100%	
	Child Care Fact Sheet	Approved	biannual	biannual	biannual	biannual
		Actual	biannual	biannual	biannual	
Early Learning and Care Capacity		Approved	annual	annual	annual	annual
		Actual	annual	annual	annual	
Research and Innovation		Approved	annual	annual	annual	annual
		Actual	annual	annual	annual	
Service Providers Financial Support	Wage Subsidy	Approved	quarterly	quarterly	quarterly	quarterly
		Actual	quarterly	quarterly	quarterly	
	General Operating Grant	Approved	N/A	N/A	quarterly	quarterly
		Actual	N/A	N/A	quarterly	

Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Child Care System Management.

Service Performance Measures

Administration as % of Total Gross Expenditures



- Historically, the cost of program delivery is between 5% and 6% of the Program's gross expenditures.
- For 2018, administrative costs are projected to temporarily increase to 7.0% reflecting the impact of managing the expanded child care system, responding to additional Provincial requirements and implementation of the new General Operating Grant across the sector.
- Administrative cost ratios have historically been kept significantly below the Provincial guideline of 10%.

Table 6
2018 Preliminary Service Budget by Activity

(\$000s)	2017	2018 Preliminary Operating Budget								Incremental Change				
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget	% Change	New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget	2019 Plan		2020 Plan		
										\$	%	\$	%	\$
GROSS EXP.														
Child Care System Management	128,179.1	128,600.9	(40.6)	128,560.2	381.1	0.3%		128,560.2	381.1	0.3%	2,408.8	1.9%	1,271.6	1.0%
Total Gross Exp.	128,179.1	128,600.9	(40.6)	128,560.2	381.1	0.3%		128,560.2	381.1	0.3%	2,408.8	1.9%	1,271.6	1.0%
REVENUE														
Child Care System Management	113,963.1	113,456.7	5,821.2	119,277.9	5,314.8	4.7%		119,277.9	5,314.8	4.7%	1,066.0	0.9%	(5,871.2)	(4.9%)
Total Revenues	113,963.1	113,456.7	5,821.2	119,277.9	5,314.8	4.7%		119,277.9	5,314.8	4.7%	1,066.0	0.9%	(5,871.2)	(4.9%)
NET EXP.														
Child Care System Management	14,216.0	15,144.2	(5,861.8)	9,282.3	(4,933.6)	(34.7%)		9,282.3	(4,933.6)	(34.7%)	1,342.8	14.5%	7,142.8	67.2%
Total Net Exp.	14,216.0	15,144.2	(5,861.8)	9,282.3	(4,933.6)	(34.7%)		9,282.3	(4,933.6)	(34.7%)	1,342.8	14.5%	7,142.8	67.2%
Approved Positions	84.6	77.0		77.0	(7.6)	(9.0%)		77.0	(7.6)	(9.0%)	0.0	0.0%		

The **Child Care System Management** service plans and manages Toronto's child care system in accordance with the Council approved Service Plan and Provincial guidelines.

The 2018 Preliminary Operating Budget for Child Care System Management of \$128.560 million gross and \$9.282 million net is \$4.934 million or 34.7% under the 2017 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing additional budget pressures as a result of the following:
 - Inflationary impacts of \$2.091 million are included for a 2.1% increase in the cost of purchased child care; and \$0.237 million for the increase in the cost of maintenance for the municipally managed child care centres;
 - Other base changes include a reallocation of the cost of purchased child care to better align cost of service delivery between services and the impact of the increased staffing based on legislated changes in the staffing ratios. Revenue changes include: \$1.853 million to re-align cost of Purchased Child Care between services and to reflect a change in age mix; and \$0.339 million to deliver the TCS Growing Child Care for Toronto capital project.
- To help mitigate these pressures, base savings of \$0.039 million are included from the review of historical spending that aligns the budget to reflect actual expenditures; and a recovery of \$5.821 million from the Child Care Expansion Reserve Fund as a bridging strategy to continue the funding of occupancy costs for child care centres located in schools.



Part 3

Issues for Discussion

Issues Impacting the 2018 Budget

Delivering System Growth

- On September 12, 2016, the provincial government committed to creating 100,000 new child care spaces over five years for children up to four years old across the province. Based on historical shares of provincial investments, this could result in approximately 30,000 new spaces for children 0-4 in Toronto.
- Similarly, the federal government announced \$500 million for 2017-18 to support the development of a new National Early Learning and Child Care Framework for children 0-12, to be developed with provinces, territories and Indigenous communities. On March 22, 2017, the federal budget announcement proposed an additional \$7 billion over ten years starting in 2018-19, and indicated that the investment could support up to 40,000 new subsidized child care spaces in the next three years.
- As the service system manager for child care and the early years in Toronto, Children's Services is responsible for managing this growth, in collaboration with other community partners who make up the system.
- Informed by the results of the *Licensed Child Care Demand and Affordability Study* and in anticipation of increased provincial and federal funding, Children's Services developed a 10-year growth strategy, as presented in CD19.2 "Toronto's Child Care Growth Strategy".

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD19.2>

- At its meeting on April 26, 2017, Council adopted the recommendations in this report, which calls for a tri-government investment with additional funding contributions from the federal, provincial governments and the City of Toronto.
- In the same meeting, City Council confirmed its ongoing commitment to funding 20 per cent of child care costs related to growth.
- The Toronto Child Care Growth strategy is supported by the following recommendations:
 - Growing the child care system to serve 50 per cent of children from birth to age four (estimated 10-year cost of \$1.4 billion);
 - Increasing fee subsidies to serve 40 to 50 per cent of all licensed spaces (estimated additional annual operating costs of \$100 million);
 - Providing operating grants that reduce parent fees by 25 to 40 per cent (estimated additional annual operating costs of \$340 million); and
 - Supporting a thriving early learning and child care workforce (estimated additional annual operating costs of \$84 million)
 - To support implementation of the Child Care Growth Strategy, City Council committed to investing the equivalent of 20% of provincial and federal investments in growth, subject to the 2018 budget review process.
- At the time the Toronto Growth Strategy was adopted by City Council, Toronto's 2017 Provincial and Federal funding allocations were not known. Subsequently, as discussed in EX26.30 "*Children's Services Amendment to the 2017 Operating Budget to Reflect Increase in Provincial Contributions*," adopted on July 4, 2017 Council approved the ongoing increase in Provincial funding of \$34.5 million to increase access to affordable child care for children 0-4, through providing increased subsidies, providing increased access to service and to broadly reduce licensed child care fees.
- Concurrently, the Federal government announced \$21.5 million in ongoing funding provided through the Canada-Ontario Early learning and Child Care Agreement 2017 to increase access to affordable child care for children aged 0 to 12 including supporting additional fee subsidies, access and affordability measures and capital expansion.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX26.30>

- The "*Child Care Growth Strategy – Phase One Implementation (2017-2019)*", presented by Children's Services to City Council at its meeting of Nov 7, 2017, focused on a number of current and future investments that support the following 3 priorities:

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD23.5>

Improving Affordability for Families with Child Care Needs:

- Fee Subsidies:
 - 2,189 additional subsidies for children from birth to age four and 427 for children age four to 12 were added in 2017, funded by Federal/Provincial contributions.
 - An additional 825 subsidies are proposed to be added in 2018. Please refer to the New and Enhanced requests in the "Issues Referred to the Budget Process" section for more information.
- Reducing Fees and Increasing Affordability:
 - Additional base funding of \$11.4 million provided through a General Operating Grant (GOG) in 2017 to child care operators resulted in all eligible programs receiving new or increased base funding in 2017. This improved affordability for parents saw an average parent fee increase of less than one per cent in 2017. Prior to this new investment in base funding to operators, average parent fee increases were 3.3 per cent and 2.32 per cent in 2015 and 2016 respectively.

Support a Thriving Workforce:

- Additional base funding of \$11.4 million was provided in 2017 to child care centres, to help offset operating costs.
- Children Services continues to provide funding to centres through the Provincial Wage Enhancement Program, which provides a legislatively regulated subsidy to operators that supplements wages for child care sector staff.

Providing Capital Growth to increase System Capacity:

- In 2017, \$15.785 million of the new federal funding from the Canada-Ontario agreement has been allocated to capital to create new child care spaces in 2017 and 2018 with the federal guidelines requiring the projects to be spent by 2018. It is anticipated that up to 250 new spaces will be created with this funding.
- The 2018-2027 Preliminary Capital Plan for Children's Services includes 3 new Child Care Centres with 62 spaces each, 2 of these centres are funded by the federal government (Bendale Child Care Centre and Child Care Centre # 11) and 1 funded by the City.
 - In keeping with Council's direction to fund 20% of child care operating costs, the City's Investment Strategy would see \$2.0 million of incremental funding added in the 2018 Operating Budget, \$2.0 million in 2019 and \$1.6 million in 2020, subject to the 2018 and future year budget processes. The incremental operating funds will be used, as a contribution to fund the Anishawabe Child Care Centre capital project. Please refer to the New and Enhanced requests in the "Issues Referred to the Budget Process" section for more information. Once the capital financing has been completed, the \$5.6 million in ongoing funding, previously committed to Anishawabe will be available as base operating funding to offset child care operating costs.
 - An additional City contribution of \$5.6 million will be considered with the 2019 Budget process. The added investment by the City, if approved by Council through the annual budget process, will bring the City's contribution to \$11.2 million or 20% of the total Federal/Provincial funding received (\$21.5 million Federal, \$34.5 million Provincial) in 2017-2018.

Issues Referred to the 2018 Operating Budget Process

New & Enhanced Not Included in the 2018 Preliminary Operating Budget

The following initiatives have not been included in the 2018 Preliminary Operating Budget. However, they are detailed below for Budget Committee's consideration in the 2018 Budget process.

New / Enhanced Service Description (\$000s)	2018 Impact				Net Incremental Change			
	Gross	Revenue	Net	# Positions	2019 Plan		2020 Plan	
					% Net	Positions	% Net	Positions
New Service Priorities- Poverty Reduction								
Referred to the Budget Process								
Increased Staffing to Manage Growth	2,668.5	2,668.5		28.0	- 6.0		2.8	
Child and Family Centre Program Delivery	23,825.2	23,825.2						
Child and Family Centre Administration Program Support	2,698.9	2,698.9		14.0				
City's 20% Share of Prov/ Federal Growth Subsidy	2,000.0		2,000.0		7,600.0		1,600.0	
Increased Provincial Support for Programming	4,313.0	4,313.0						
Additional 825 Spaces to Support Growth	12,000.0	12,000.0						
Child Care Expansion (Firegrove/ Ancaster)	534.0	427.2	106.8	6.4				
Total - Poverty Reduction	48,039.6	45,932.8	2,106.8	48.4	7,594.0		1,602.8	
Total New / Enhanced Services (Not Included)	48,039.6	45,932.8	2,106.8	48.4	7,594.0		1,602.8	

- Increased Staffing to Manage Growth
 - To support expansion and meet provincial and federal targets, Children's Services requires 23 permanent and 5 temporary full-time positions at a cost of \$2.668 million gross \$0 net (provincially funded). to: administer new fee subsidies; support children with special needs; enter into new and expanded service contracts; enhance measures to improve affordability; update provincial and federal reporting requirements to evaluate service delivery outcomes; ensure payments to operators are completed in a timely manner; plan and administer expanded service.
- Child and Family Centre new and enhanced priority has 2 components:
 - Child and Family Centre Program Delivery - Effective January 1, 2018 all provincially funded child and family programs, Child and Family Centres, (CFC) including the Parent and Family Literacy Centres, will be transferred to the City for administration requiring an increase of \$23.825 million gross \$0 net.
 - New Positions to administer CFC - Children's Services, under the provincial guidelines, will require 14 permanent positions for \$2.699 million gross, \$0 net to support the contract management, planning, training, programming and financial requirements of the services now under City administration. These positions include: 4 Community Development Officers; 3 consultants; 2 system analysts; 1 program manager; 1 training and development coordinator; 1 business analyst; 1 research analyst; and 1 budget co-ordinator.
- City 20% Share of Prov/ Federal Growth Subsidy
 - Funding of \$2.0 million gross and net represents the first tranche of the City's 20% investment towards Children's Services Growth Strategy, and will provide cash flow funding in 2018 to begin the new Anishawabe Child Care Centre capital project.
 - The second tranche of incremental operating funding of \$7.600 million will be considered in 2019 and is comprised of two parts: \$2.000 million to continue funding for the Anishawabe Child Care Centre (this will replace the funding from Child care Expansion Reserve Fund), with an additional \$5.600 million contribution towards the cost of providing subsidies. The third tranche in 2020 of \$1.600 million represents the final commitment to complete the Anishawabe Child Care Centre capital project. The 2019 and 2020 investments will be subject to the future year budget processes to incrementally increase the operating funding that will be directed towards system growth, as the City's investment strategy to augment the Provincial, Federal funding.

- Please see the details in the following table:

City's 20% Incremental Investment in System Growth (\$000s)				
System Growth	2018	2019	2020	Total
Contribution to Anishawabe Capital Project *	2,000	2,000	1,600	5,600
Operating Subsidies		5,600		5,600
Total	2,000	7,600	1,600	11,200
Cummulative **	2,000	9,600	11,200	11,200

* 62 space centre with spaces for 10 infants; 20 toddlers; and 32 preschoolers

** \$11.2 million becomes part of the tax base

- Increased Support for on-going Programming for \$4.313 million gross \$0 net is required for the following core programming activities.
 - Provincial contributions to Home Child Care of \$3.0 million gross and \$0 net will increase base funding for Home Child Care agencies, which improves affordability for families, and benefits all equity-seeking groups. Increase in subsidy for purchased child care rates for Home Child Care phases out Wage subsidy and replaces it with a modified funding approach.
 - General Operating Grant Increase of \$1.0 million gross, funded by the province will provide an increase in the general operating grant, which will increase base funding for child care operators.
 - Special Needs Increase Provincial/of Federal Funding of \$0.313 million gross \$0 net will provide an increase in the Special Needs funding, which will increase service for children with extra support needs. This additional subsidy will provide an increase in funding levels to third party providers.
- Additional 825 Spaces to Support Growth
 - Funding of \$12.000 million, reflecting the underspending of federal and provincial funding received part way through 2017 will be directed to the Child Care Expansion Reserve to deliver an additional 825 child care subsidies in 2018 bringing the total child care subsidies to 29,800 spaces..
- Child Care Expansion
 - *TELCCS Expansion* request of \$0.534 million gross and \$0.107 million net, with \$0.101 million in additional facility operating costs, and \$0.432 million for 6.4 additional permanent child care aid and early childhood educator positions is required to support the delivery of 30 new school age spaces at the Firgrove TELCCS and 10 additional toddler and 8 preschool spaces at the Ancaster TELCCS.



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, Children's Services accomplished the following:

- ✓ More than 28,000 families received a fee subsidy in 2017, enabling them to participate in employment or education activities. The number of child care fee subsidies available for Toronto families has steadily increased each year, while the waitlist for subsidies has decreased.
- ✓ The number of licensed child care spaces continues to increase with more than 3,500 new spaces projected to be introduced in 2017.
- ✓ City Council adopted a 10 year growth strategy; Toronto's Licensed Child Care Growth Strategy for children under 4.
- ✓ Embarked on the Child Care Expansion Plan and Canada-Ontario Early Learning and Child Care Agreement to expand child care and early learning in Toronto. These agreements provide new investments for increasing access and affordability of high-quality licensed child care.
- ✓ Improved access for Indigenous Families through strengthened connections with community organizations that serve the Indigenous Community.
- ✓ Launched a new Toronto-specific child care Funding Model that aims to support affordability and accessibility of child care programs and increase the stability and fairness of child care funding across Toronto.
- ✓ Launched Raising the Village to provide communities with data and research that measures the well-being of children and families in Toronto.
- ✓ Through the Toronto Child & Family Network (TC&FN), brought together many systems and leaders that improves quality, access and seamless service pathways so that all children and families in Toronto experience well-being.
- ✓ Launched an Ontario Works (OW) Shared Clients Project between TESS and TCS to streamline the processing of shared clients receiving child care.
- ✓ Through the Human Services Integration initiative, launched a new website with integrated information about services and programs for Toronto's families.
- ✓ Introduced a "My Child Care Account" that provide families with a variety of self-serve functions including access to information about child care options and an online application for fee subsidy.
- ✓ Automated special needs service delivery requests and data collection to provide a solid base for planned service delivery and improve response time for service requests.

Appendix 2

2018 Preliminary Operating Budget by Expenditure Category Program Summary by Expenditure Category

Category of Expense (\$000's)	2015	2016	2017	2017	2018	2018 Change from		Plan	
	Actual	Actual	Budget	Projected	Preliminary	2017 Approved		20119	2020
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries And Benefits	79,673.3	82,955.7	89,409.5	84,709.5	95,015.0	5,605.5	6.3%	96,538.4	97,656.5
Materials & Supplies	2,547.3	2,274.0	2,518.4	2,518.4	2,448.6	(69.8)	(2.8%)	2,522.2	2,595.6
Equipment	946.1	697.1	727.6	727.6	698.1	(29.5)	(4.1%)	720.9	744.1
Service And Rent	353,741.4	363,637.2	411,739.1	399,739.1	431,631.8	19,892.7	4.8%	440,304.0	448,696.0
Contribution To Capital			680.0	680.0	1,019.0	339.0	49.9%	2,085.0	2,035.0
Contribution To Reserves/Reserve Funds	1,292.5	1,292.5	29,123.9	29,123.9	17,123.9	(12,000.0)	(41.2%)	17,123.9	17,123.9
Other Expenditures	13.9	145.1	669.3	669.3	682.7	13.4	2.0%	682.7	682.7
Inter-Divisional Charges	4,155.1	4,556.7	3,034.4	3,034.4	2,942.0	(92.4)	(3.0%)	2,970.4	2,952.0
Total Gross Expenditures	442,369.6	455,558.4	537,902.3	521,202.3	551,561.3	13,659.0	2.5%	562,947.4	572,485.8
Inter-Divisional Recoveries	8,729.5	5,622.6	10,200.0	10,200.0	10,200.0			10,200.0	8,000.0
Provincial Subsidies	323,214.3	345,190.9	391,909.1	387,209.1	397,165.3	5,256.1	1.3%	397,502.9	397,502.9
Federal Subsidies			21,500.0	21,500.0	21,500.0			21,500.0	21,500.0
User Fees & Donations	28,448.6	30,239.6	30,569.6	30,569.6	34,191.1	3,621.5	11.8%	34,191.1	34,191.1
Transfers From Capital	133.7	134.3	1,280.6	1,280.6	340.0	(940.6)	(73.4%)	340.0	340.0
Contribution From Reserves/Reserve Funds	5,033.5		1,760.0	1,760.0	7,581.2	5,821.2	330.7%	7,581.2	1,760.0
Total Revenues	365,592.1	381,207.3	457,219.4	452,519.4	470,977.6	13,758.2	3.0%	471,315.3	463,294.1
Total Net Expenditures	76,777.5	74,351.1	80,682.9	68,682.9	80,583.7	(99.2)	(0.1%)	91,632.2	109,191.8
Approved Positions	982.6	990.9	1,007.5	1,007.5	1,032.2	24.7	2.5%	1,032.2	1,032.2

* Based on the 9-month Operating Variance Report

Children's Services is projecting to be \$12.000 million underspent at year-end, with gross expenditures \$16.700 million below budget and under-achieved revenues of \$4.700 million. Two drivers are responsible for underspending: under spent salaries and benefits due to vacancies throughout the year, and underspending in the purchased child care system.

As the new growth-related Provincial and Federal subsidies were received mid-year, there was a delay in the delivery of growth-related funding. Projected unspent Provincial/ Federal funding will be contributed to the Child Care Expansion Reserve Fund to be spent by the end of 2018. The under spending in base salaries and benefits will result in a reduction in the Provincial subsidy.

For additional information regarding the 2017 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2017", to be considered by City Council at its meeting on December 5, 2017.

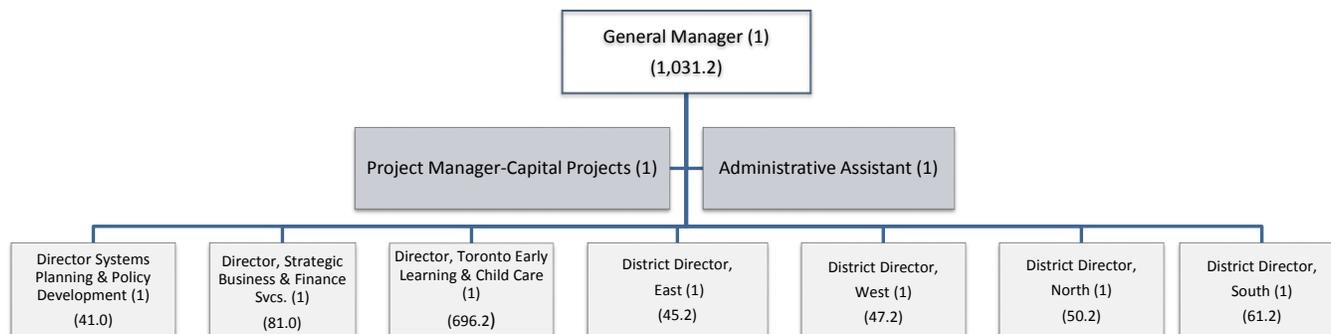
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- The unspent Provincial/ Federal funding received in 2017 will be transferred to the Child Care Expansion Reserve Fund to be spent by the end of 2018 as per the funding guidelines.
- Savings from salaries and benefits are not expected to continue into 2018 as program vacancies are filled.

Appendix 3

2018 Organization Chart



2018 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	8.0	73.0	82.0	837.2	1,000.2
	Temporary		2.0	19.0	7.0	28.0
	Total Operating	8.0	75.0	101.0	844.2	1,028.2
Capital	Permanent			-	-	-
	Temporary		-	4.0	0.0	4.0
	Total Capital	-	-	4.0	0.0	4.0
Grand Total		8.0	75.0	105.0	844.2	1,032.2

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds
Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		25,424.8	37,424.8	19,243.6	13,062.4
Child Care Expansion Reserve Fund	XR1101				
Proposed Withdrawals (-)					
<i>Funding for 825 Spaces</i>			(12,000.0)		
<i>Funding for Occupancy Grants</i>			(5,821.2)	(5,821.2)	
<i>ARC Program City Funded</i>			(360.0)	(360.0)	(360.0)
Contributions (+)					
<i>Interest</i>					
<i>2017 Prov/ Fed funding received</i>		12,000.0			
Total Reserve / Reserve Fund Draws / Contributions		37,424.8	19,243.6	13,062.4	12,702.4
Balance at Year-End		37,424.8	19,243.6	13,062.4	12,702.4

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		32,201.0	32,201.0	25,392.0	18,259.0
Child Care Capital Reserve Fund	XR1103				
Proposed Withdrawals (-)					
<i>Health and Safety / Minor Capital</i>			(1,400.0)	(1,400.0)	(1,400.0)
<i>Transfers to Capital</i>			(11,229.0)	(8,053.0)	(5,236.0)
Contributions (+)					
<i>Interest</i>					
<i>Contribution from the Province for the TCS Growing Child Care</i>					
<i>Non/program health & safety</i>			1,000.0	1,000.0	1,000.0
<i>Sale of 1 Hollis to Metrolinx</i>			4,500.0	1,000.0	
<i>Minor Repairs - CS Operating</i>			320.0	320.0	320.0
Total Reserve / Reserve Fund Draws / Contributions		32,201.0	25,392.0	18,259.0	12,943.0
Balance at Year-End		32,201.0	25,392.0	18,259.0	12,943.0

* Based on 9-month 2017 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance		28,251.5	28,251.5	28,413.5	28,575.5
Sick Leave	XR1007				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			162.0	162.0	162.0
Total Reserve / Reserve Fund Draws / Contributions		28,251.5	28,413.5	28,575.5	28,737.5
Balance at Year-End		28,251.5	28,413.5	28,575.5	28,737.5

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance		25,981.0	25,981.0	26,838.0	27,695.0
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			857.0	857.0	857.0
Total Reserve / Reserve Fund Draws / Contributions		25,981.0	26,838.0	27,695.0	28,552.0
Balance at Year-End		25,981.0	26,838.0	27,695.0	28,552.0

* Based on 9-month 2017 Reserve Fund Variance Report