

Review of Toronto Early Learning and Child Care Services

Date: March 10, 2021

To: Economic and Community Development Committee

From: City Manager

Wards: All

SUMMARY

The purpose of this report is to report back to City Council on the City Manager's analysis of the financial and non-financial benefits of the City's directly-operated child care centres (centres operated by Toronto Early Learning and Child Care Services or TELCCS centres). In 2018, City Council directed the City Manager to conduct this analysis upon consideration of the recommendations in the Auditor General's review of Children's Services.

It is an important time for City Council to consider the findings of this review. The COVID-19 pandemic has brought critical attention to the importance of accessible, affordable child care to economic recovery, poverty reduction and supporting women's participation in the labour market.

To assist with this review, the City Manager engaged a third-party research team consisting of experts from the University of Toronto and George Brown College to provide research and analysis to inform this work. The results of their findings are provided as Attachment 1, Review of Toronto Early Learning and Child Care Services: Their Unique Contribution to Toronto's Equity, Inclusion and Poverty Reduction Goals.

The researchers' findings demonstrate that TELCCS, which comprises only 3 percent of licensed spaces in Toronto's child care system, plays a unique role in the child care landscape and provides complementary value to the services delivered by non-profit and commercial operators.

The researchers found that TELCCS centres provide important supports by:

- serving vulnerable families in underserved neighbourhoods, and are located in areas less likely to attract other child care operators;
- serving a greater proportion of younger children (i.e. infants and toddlers) who are more expensive to serve, given the mandated child to educator ratios;
- employing highly trained staff, who deliver high quality child care;

- ensuring a financially efficient model for the service they provide with only marginally higher costs than comparable centres, while contributing high-quality jobs and decent wages to a largely low wage, racialized, female-dominated sector; and
- advancing the City's poverty reduction goals and providing quality work in the early years sector.

The researchers also identified opportunities for TELCCS to:

- address their vacancy rate to create financial savings;
- further focus on addressing service gaps that cannot or are not filled by the non-profit and commercial sectors;
- utilize its assets for additional community benefit (such as expanding access to TELCCS indoor and outdoor facilities for use beyond licensed child care);
- develop an evaluation strategy and enhance access to and use of data;
- partner with the City's Confronting Anti-Black Racism Unit (CABR) and Indigenous Affairs Office (IAO) to advance equity objectives; and
- enhance collaboration with post-secondary institutions to advance research and applied practice to ensure high-quality care across the sector.

The research for this review was conducted prior to the COVID-19 pandemic. The report prepared by the researchers provides a rich set of data and analysis, much of which remains relevant. The pandemic has significantly impacted the child care landscape in Toronto and across the country. TELCCS has played a key role in the City's COVID-19 response as one of the first programs across the country to provide emergency child care in a COVID-19 context. Notably, the rapid collaboration between Children's Services and Toronto Public Health to develop the health and safety protocols to deliver emergency care served as a model for the provision of child care during the pandemic both across the province and other jurisdictions across the country. These protocols have provided the foundation for the reopening of child care centres and point to the leadership role TELCCS (and the City of Toronto) have contributed provincially and nationally.

The review findings indicate that TELCCS provides unique financial and non-financial benefits and meets critical gaps in Toronto's early learning and child care system, which underlines the role of public, municipally-delivered child care programs. The City's directly-operated child care centres complement the essential work of community-based child care delivery and helps ensure that high demand infant spaces are available and that low-income and high needs families can access child care. As service system manager for Toronto's child care system, the City continuously monitors where care is required and who can best deliver it. In the past, the City has assumed operations of child care centres when non-profit providers were no longer able to operate that location, such as the cases of Westown, Mount Dennis and Kingston Road child care centres that are now operated by TELCCS. These are examples of where the City steps in to ensure continuity of service for the community. Since 2018, the City has also transferred child care centres when there is a viable operator, such as transferring before and after school programs to the Toronto District School Board in alignment with the Province's schools first approach to providing kindergarten and school-age child care in the schools children attend. This has allowed TELCCS to focus on service

delivery to the youngest age groups, including infants who are the costliest to serve and have fewer spaces compared to demand in the system, filling an important gap.

The review affirmed the leadership the City provides to the overall child care system through the sharing of best practices, such as most recently through the emergency child care model developed in response to the COVID-19 pandemic, and the gaps they fill to serve our most vulnerable families and neighbourhoods, are key to the unique value of TELCCS.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council direct the General Manager, Children's Services to advance the opportunities identified in Attachment 1 which include:
 - a. Examining opportunities to reduce the vacancy rate in TELCCS centres with consideration to the impact changes may have on enrolment and family and staff well-being;
 - b. Assessing TELCCS locations on a continuous basis to focus expansion to serve high inequities neighbourhoods where child care is most needed and the community is underserved with a continued focus on providing care for younger children (infants, toddlers and preschoolers);
 - c. Working with the Executive Director, Social Development, Finance and Administration to consider ways to expand access to TELCCS indoor and outdoor facilities for use beyond licensed child care and leveraging TELCCS sites and programs to advance the City's social development objectives and provide additional community benefit in neighbourhoods experiencing inequities;
 - d. Developing an evaluation strategy and using data to monitor and evaluate the impact of TELCCS in the broader child care system, periodically assessing how well the TELCCS system is meeting its goals, and using data to inform location and programming decisions to ensure maximum benefit for children, families and communities;
 - e. Pursuing opportunities to advance the City's equity goals in the delivery of TELCCS programs, including a leadership role within the child care and early years system in confronting anti-Black racism and advancing reconciliation; and
 - f. Enhancing collaboration with post-secondary institutions to advance research and applied practice to ensure high-quality care across the sector.

FINANCIAL IMPACT

There are no financial implications arising from this report. Children's Services can pursue the opportunities identified in the staff recommendations utilizing existing budgeted resources.

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

EQUITY IMPACT

The purpose of the review of Toronto Early Learning and Child Care Services (TELCCS) was to examine the financial and non-financial benefits of Toronto's directly operated child care in the context of the overall child care system. The research findings affirmed that equitable access to high quality, affordable early learning and child care services is a critical lever in poverty reduction, workforce participation, and healthy child development. The benefits of child care on children's learning, health, and social development are greatest for communities experiencing high inequities. High quality child care relies on a well-supported workforce, and the early years and child care workforce is comprised mainly of racialized women earning low wages. The review found that TELCCS leverages a highly trained and fairly compensated workforce to provide care for families experiencing high needs. The review also affirmed that TELCCS serves low-income families in underserved neighbourhoods, supporting access and providing additional resources and supports for families experiencing multiple vulnerabilities.

The review identified opportunities for Children's Services to further equity within their service delivery model through expanding partnerships with the City's Confronting Anti-Black Racism Unit and Indigenous Affairs Office. For example, the review found that a significant number TELCCS staff identify as Black, but there are relatively few Black managers. The City has stated its commitment to advance equitable hiring and retention practices to support diverse representation of staff in supervisory and management positions. The Toronto Action Plan to Confront Anti-Black Racism recognizes that in order to ensure that child care programs reflect the diversity of the communities they serve, managers and supervisors must reflect communities of colour. The review found that this is an area that TELCCS can make further progress.

The review also found that there is room for all child care centres to integrate Indigenous ways of learning and knowing into their programs. It is recommended that TELCCS explore further training and expand partnerships with Indigenous-led organizations as part of an effort to welcome and support Indigenous children and families and deliver culturally-responsive programming. Building on current activities such as Children Services' support to fund a non-profit Aboriginal Child Care Centre, TELCCS can partner with the City's Indigenous Affairs Office to engage partners and continue to develop models for both TELCCS and the broader child care sector to advance these goals.

This report recommends that Council direct the General Manager, Children's Services to advance these opportunities identified in the review to support the City's equity goals, building on TELCCS valuable service to vulnerable families in underserved neighbourhoods.

DECISION HISTORY

In 2018, the Auditor General conducted a review of Children's Services and report her findings in AU12.2, Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds. The report included a recommendation that City Council request the City Manager to examine alternate service delivery options for the City-run child care centres, including an analysis of financial and non-financial benefits, with a view to ensuring economic viability of child care services in the City and achieving optimal value from public funds.

City Council amended this recommendation and directed the City Manager to further consider the findings of the Auditor General and conduct an analysis of the full costs and financial and non-financial benefits of City-run child care centres with a view to achieving optimal value for public funds while maintaining required staffing, program quality and optimal outcomes for children, families and communities." This report responds to that direction to the City Manager.

<https://www.toronto.ca/legdocs/mmis/2018/au/bgrd/backgroundfile-114760.pdf>

COMMENTS

A. TELCCS Review

To undertake the review of Toronto Early Learning and Child Care Services (TELCCS) centres, the City Manager initiated a study, overseen by a multi-divisional steering committee and project team representing the City Manager's Office, Children's Services and Social Development, Finance and Administration, and with executive leadership provided by the Deputy City Manager, Community and Social Services. A third-party research team was retained to conduct research and analysis; the research team included experts in early childhood education and economics from the University of Toronto (U of T) and George Brown College (GBC) with the requisite expertise to conduct the financial and qualitative analysis to undertake this work.

The goal of the review was to:

- Analyze the financial models and costs to operate TELCCS, non-profit, and commercial child care in Toronto;
- Determine what unique benefits TELCCS provides in the child care and early years system;
- Determine the contributions TELCCS makes towards Toronto's social development and workforce goals among others; and

- Identify opportunities to enhance the benefits TELCCS provides or further leverage the investment the City makes in TELCCS.

i. Research Process

The research team undertook a review of the available literature, financial analyses, site visits, and surveys with TELCCS and comparable centres to produce their final report.

The researchers visited the following TELCCS sites across the city, including locations in Neighbourhood Improvement Areas (NIAs) and those co-located in City facilities:

- Alexandra Park (co-located in a TCHC building)
- Centenary-Seven Oaks (co-located with Seven Oaks LTC)
- Danforth
- Falstaff (Rustic NIA)
- Kingston Road (Scarborough Village NIA)
- Kipling (co-located with Kipling Acres LTC)
- Mount Dennis (Mount Dennis NIA)
- Westtown (bordered by the following NIAs - Elms-Old Rexdale, Kingsview Village-The Westway, Downsview-Roding-CFB, Rustic, Humbermede, and Weston)

The visits provided an opportunity to interview supervisors, staff, and parents. Surveys conducted with all site supervisors as well as comparator site supervisors provided additional data included in the analysis.

The research team conducted a robust financial analysis (refer to Section 4.0 of Attachment 1) with the aim of comparing TELCCS with other not publicly delivered child care centres. Overall, the research and analysis conducted by the UofT/GBC research team was extensive and provides deeper quantitative and qualitative insights into the value of municipally-operated child care in Toronto that will be of use to Children's Services on an ongoing basis.

The researchers conducted their research in the latter part of 2019 and completed their analysis in early 2020, however finalization of the report was delayed due to the onset of the COVID-19 pandemic. While the data and findings represent a pre-COVID-19 context, the analysis continues to be relevant. The impact of COVID-19 on child care is discussed towards the end of this report, but was not explored by the researchers.

B. Key Findings of TELCCS Review

The key findings of the review of TELCCS focus on:

- i. The ways TELCCS offers unique value within Toronto's child care and early years landscape and complements what is provided by non-profit and commercial child care operators.
- ii. The efficiency of TELCCS service model, with high quality care offered by a professional, highly trained, and stable workforce.

iii. The added value TELCCS provides to the child sector as a whole, which can be further enhanced to leverage TELCCS value proposition.

i. Value of TELCCS within Toronto's Child Care and Early Learning System

Toronto's child care and early learning system operates through a mixed service delivery model that includes 1) municipally operated centres; 2) non-profit providers and 3) commercial operators. Through TELCCS, the City directly operates 3 percent of all licensed spaces in the system and these spaces primarily serve the youngest age groups (infants, toddlers and preschoolers) in high need, underserved neighbourhoods. Other Ontario municipalities range from offering no municipally operated spaces to up to 5.5 percent of all licensed spaces (refer to Section 2.3 of Attachment 1).

Licensed child care in Ontario operates under provincial legislation, however the TELCCS operating model has some key differences when compared with other non-profit and commercial programs. These differences include but are not limited to staff qualifications, governance structure, fees, enrolment and vacancies, staff compensation and quality, location/space, and economies of scale. This makes direct comparison among program types a challenge.

The researchers who conducted the TELCCS review found unique value to TELCCS service delivery; these are highlighted below.

TELCCs Serve a High Proportion of Younger Children

TELCCS serve a higher proportion of younger children than other providers. Serving the youngest children in need of child care is costly due to the importance of high safety standards and low staff to child ratios required by the Province (staff to child ratios of 1 to 3 are required given the care needs of infants). Cost recovery for care of infants (0-18 months) is difficult and many child care operators opt not to serve this age group to maintain a viable business model, or balance serving this age group with more economical older age groupings.

The review found that TELCCS helps to fill a system-wide gap in the supply of much needed infant care by providing a higher proportion of infant spaces than other providers.

The review findings include: (refer to Section 3.3 in Attachment 1):

- Sixteen percent of TELCCS capacity is devoted to infants, compared to 2-8 percent for non-profit and commercial centers. While making up only 3 percent of overall capacity of spaces in the system, TELCCS centres provides 10 percent of all infant spaces across the City. On balance, municipally-operated child care programs fill a significant gap in infant spaces that is less viable for other providers to deliver.
- The non-profit and commercial sector typically delivers care to a mix of age groups including older children, before and after school care for children ages 6 - 12, along with full-time care for toddlers and pre-school age children aged 18 months - 5 years and to a lesser degree, infant care (0-18 months).

- TELCCS operates fewer centres spanning the whole 0-12 age range, and has a far lower proportion of before-after school programs for children aged 4 to 12, having recently transferred a total of 9 many before and after school care programs to the Toronto District School Board (TDSB) between 2018 and 2020.

Serving More Low-Income Families

In addition to serving more young children, TELCCS also emphasizes serving low-income families, thereby playing an important role in the child care system by increasing access for vulnerable families. While non-profit and commercial operators with fee subsidy agreements also serve families with low income, TELCCS plays a larger role in filling this important need relative to its size.

The review found (refer to Section 3.3, Attachment 1):

- 75 percent of families enrolled in TELCCS have incomes below \$40,000, and 50 percent live on a household income below \$20,000 a year.
- More than half of children attending a TELCCS centre live in a lone parent household.
- 91 percent of children attending a TELCCS program receive a fee subsidy covering some or all of the cost of care. In contrast, only 56 percent of children in non-profit centres receive a subsidy.
- 45 percent of families in TELCCS are fully subsidized (meaning their income is so low that they do not pay a fee to attend child care). 41 percent and 17 percent of families in commercial and non-profit centres that accept fee subsidy, respectively, are fully subsidized.

TELCCS Serve More High Needs Children and their Families

Through its highly-trained and professional staff, TELCCS is able to meet the needs of children with mild to complex development and health needs and serve and support families facing complex vulnerabilities.

The review found (refer to section 5.6 in Attachment 1):

- In 2019, TELCCS served 266 children with extra support needs. This represents approximately 7 percent of all children who receive resource supports for their extra support needs in child care centres across Toronto.
- TELCCS centres intervene on behalf of children requiring additional supports, such as coordinating support from resource educators, speech and language therapists, and occupational therapists to enable children to reach healthy developmental milestones that were previously considered out of reach.
- TELCCS serves families who experience housing insecurity, those living in shelters, and refugee families.
- While both TELCCS and community-based non-profit centre supervisors support community shelters, TELCCS centres have more frequent contact and supervisors provide more support in shelters for families.

- TELCCS supervisors assist families facing crises, including helping lone parents experiencing intimate partner violence to organize moving and finding shelter and assisting refugee families with settlement service navigation.
- TELCCS hosts workshops for parents and caregivers on topics including nutrition, play-based learning, physical literacy, parenting, and raising sexually healthy children, in partnership with Toronto Public Health.

TELCCS Serve Neighbourhoods with High Inequities and Ensures Access to Care

The review found (refer to Section 3.2 in Attachment 1):

- TELCCS centres serve communities facing more vulnerabilities and are predominantly found in communities with lower access to child care.
- Three-quarters of TELCCS centres are located in neighbourhoods with high or very high inequities on the child and family inequities score (See Raisingthevillage.ca), with 58 percent of centres in very high inequities neighbourhoods.
- Only 24 percent of non-profit centres are located in neighbourhoods with very high inequities.
- Given the high proportion of subsidized families that TELCCS serves, even those centres located in lower inequities neighbourhoods support families in high socioeconomic need.
- TELCCS locations are dynamic, expanding and contracting in response to need. The City has a history of taking over high needs locations where non-profit operators could not continue to viably operate, such as in Westown, Mount Dennis and Kingston Road.

These research findings are consistent with the strategic monitoring and refinement that Children's Services' undertakes on a continuous basis with respect to TELCCS locations with updates provided to City Council through the City's budget process. . . Changes are made to TELCCs locations to ensure directly operated care is meeting the more urgent needs in the community and that non-profit or institutional providers operate care where it is viable. For example, in 2018, the Toronto District School Board began directly operating before and after school programs, called Extended Day Programs. Since that time, Children's Services has been gradually transferring kindergarten and school age programs to the Toronto District School Board by closing satellite locations and school-age rooms. This is aligned with the Province's schools first approach to providing kindergarten and school-age child care in the schools children attend, and supports the Provincial vision of a seamless day of learning for kindergarten aged children. Recently transferred programs to the Toronto District School Board include the: Ancaster Satellite, Berner Trail, Blake Street Satellite, Firgrove Satellite, Jesse Ketchum Satellite and school-age programs from the main site, and Parkside Satellite. In addition to these transfers to the TDSB's Extended Day Programs, the following four sites, Thomas Berry, Willowridge, Glen Road and Lawrence Avenue East kindergarten and school-age programs were transferred to existing before & after school programs in schools. The transfer of kindergarten and school-age programs is an opportunity for TELCCS to repurpose existing space, where feasible, to expand services for younger age children. Expansion plans are underway at Lawrence, Ancaster and Willowridge to add increased capacity for children 0-4.

ii. An Efficient and High Value Operating Model

The review findings note reasons why cost comparisons between TELCCS centres and non-City child care centres are a challenge. They found in absolute levels it may appear that TELCCS centres are costlier to run, yet they noted that when compared to the most similar comparison centres (based on the location, size, and subsidization rate), the TELCCS centres cost only marginally more. Given TELCCS focus on the provision of care for the youngest age groups (which costs more) and prioritizes service in the most high-needs neighbourhoods, the marginal difference was found to be efficient for the service provided.

TELCCS Delivers Programming that Leverages Administrative Efficiencies

The review found (refer to Section 4.4 in Attachment 1) that TELCCS centres operate with significant administrative efficiencies due to centralized administration, lower overhead costs, and benefits from economies of scale in other costs such as equipment and food. The management structure for TELCCS includes a director and five program managers with responsibilities for geographic districts and portfolio lead roles across the 46 TELCCS centres. This centralized structure is in contrast to volunteer parent boards and owner-operator boards in non-profit and commercial centres that often place a significant administrative burden on a part-time or single director. The review found that these operating efficiencies are notable, even when compared to large multi-site operators that may operate with some economies of scale compared to single-site small operators (refer to Section 4.0 in Attachment 1). TELCCS are also able to leverage co-location opportunities provided by the City's wide real estate holdings and include locations in long-term care homes for example, that provide the added benefit of intergenerational programming for seniors and children. Non-profit operators have identified that finding appropriate space for child care expansion is extremely challenging.

TELCCS Has a Highly Trained, Fairly Compensated, Professional Workforce

The review found (refer to Section 5.2 in Attachment 1) TELCCS centres have a significantly higher rate of trained staff to deliver high quality programming. Compared to non-profit and commercial providers who tend to meet the minimum requirements for trained Registered Early Childhood Educators (RECEs), nearly all TELCCS staff are RECEs. This enables TELCCS to serve higher needs children and families and provide supports to the broader sector.

The review also found that TELCCS staff and supervisors participate in ongoing professional development, and work within the City's infrastructure that supports professional practice and promotes quality programming. This skilled supervision and pedagogical leadership supports the provision of high quality child care.

The review found (refer to Section 4.5 in Attachment 1) that staff in TELCCS have higher compensation and benefits than in non-profit and commercial centres. The higher compensation level is commensurate with the higher proportion of RECEs in these programs. However, the review also found that despite their higher qualifications, TELCCS staff earnings are in the bottom ranks of the City's unionized employees. For example, they found that TELCCS staff wage grades are similar to City staff positions

with lower education and training requirements such as ferry dock cashiers, payroll program assistants, client service workers, among others. While TELCCS staff are well compensated relative to other child care programs, the comparison to other City positions in the review findings demonstrates the chronic under-compensation of professional early childhood educators and points to the importance of raising the bar on wages and benefits.

It is critical to note that TELCCS, like the broader child care sector, is staffed predominantly by women, including a high number of racialized women. In other words, chronic low pay in the field of early childhood education is also a significant equity issue.

The review found (refer to Section 5.4 in Attachment 1) that TELCCS has a stable workforce without the challenges of staff turnover that the non-profit sector faces, and attribute this in part to higher compensation relative to the rest of the sector. TELCCS employees have much longer tenures than staff at non-profit and commercial centres and there is far less staff turnover compared to these centres. Also, TELCCS provides career advancement opportunities to its highly trained staff and an infrastructure that supports professional practice, which also facilitates staff retention.

TELCCS Delivers High Quality Programs

The review found (refer to Section 4.8 in Attachment 1) TELCCS centres have consistently high quality scores across its centres and low infractions year after year, based on the City's Assessment for Quality Improvement (AQI) ratings. This finding is consistent with the Auditor General's earlier review of Children's Services. The review findings indicate that high quality ratings are associated with educators that promote children's higher-order thinking skills and advanced use of language, which in turn expands children's understanding and learning. Participation in quality early childhood programs benefits all children's health and social development; however, children experiencing multiple vulnerabilities and living in underserved communities, benefit most greatly. High quality early learning is crucial to realizing the positive outcomes associated with child care. High-quality child care has also been shown to reduce the negative impacts of Adverse Childhood Experiences (ACEs) on child outcomes.

The review findings also indicate that high quality care depends on a skilled and well-supported early years workforce, exemplified by TELCCS. TELCCS provides high quality care through staff education, workforce stability, ongoing professional learning, supervisory support, and pedagogical leadership. As mentioned above, all educators in TELCCS are RECEs and have diploma level Early Childhood Educator (ECE) qualifications at a minimum, surpassing Ontario's minimum legislated requirements for the proportion of staff that are required to have the RECE designation. Non-profit commercial operators do meet the minimum standards but are often unable to exceed these requirements, given the shortage of RECEs in the sector, an often cited challenge by sector advocates.

iii. Ways to Leverage TELCCS for Additional Value

The review identified several ways that TELCCS already provides added value beyond their direct operations to benefit the community and broader child care sector. They

also identified opportunities for TELCCS to leverage their infrastructure for further benefit (refer to Section 6.0 in Attachment 1).

TELCCS Can Continuously Assess Centre Locations to Ensure Value

To ensure that TELCCS continues to provide unique value in meeting gaps and providing care to high needs families, the researchers recommended that TELCCS assess their locations and access to service on an ongoing basis and continue to focus expansion to serve high inequities neighbourhoods where child care is most needed and the community is underserved. One opportunity for review and assessment of TELCCS progress in this area is through the TELCCS Operating Plan that is generally updated every 5 years.

TELCCS Can Create a More Robust Data, Monitoring, and Evaluation Approach

The review findings noted the importance of TELCCS having access to complete and accurate data on staffing, enrolment, and finances to ensure their offerings respond to areas of highest need. As service system manager, Toronto Children's Services has access to information regarding a large percentage of Toronto's child care centres. The review findings provide some guidance as to how Children's Services can develop an evaluation strategy to ensure that the TELCCS model continues to operate as efficiently as possible.

Children's Services has reviewed these recommendations against ongoing initiatives and will consider how best to evaluate impact on families, the City, and the sector. Pursuing enhancements to monitoring and evaluation tools will improve understanding of the impact of TELCCS on the families in care, the broader child care community, and the City's social development goals and will help TELCCS to ensure the outcomes they are achieving are responsive to changing needs.

By pursuing enhancements to the monitoring and evaluation of TELCCS programs, Children's Services can complement its existing and evolving data and evaluation work. This includes monitoring child and family well-being through Raising the Village, monitoring fee subsidy access and uptake across wards, and other new data tools that have emerged as a result of COVID-19 that track the reopening and recovery of the child care sector. For example, Children's Services could develop a process to monitor TELCCS outcomes in relation to trends in child and family well-being detailed through Raising the Village. Children's Services is also currently involved in the City's Data for Equity strategy pilots through its EarlyON Child and Family Centres. A sophisticated approach to monitoring the efficiency and effectiveness of TELCCS will support the broader Divisional focus on stronger data and evidence-based system management.

TELCCS Can Increase Support to the Broader Child Care Sector

The review findings outline TELCCS contributions to the quality and stability of community-based child care operations. TELCCS staff offer mentoring, resource sharing, training, and a combination of similar supports to community-based agencies struggling to remain in compliance with legislation or maintain financial viability.

TELCCS also pilots and refines new initiatives and changes to practices before they are scaled to full implementation across the early learning and child care sector. The research report cites opportunities for TELCCS to further their participation in research activities and collaboration with post-secondary institutions to advance knowledge and practice in the early years sector as a whole. TELCCS can build on existing post-secondary partnerships and collaboration to help support research initiatives, advance knowledge in the sector, mobilize and translate research, and inform practice. This could be facilitated by TELCCS' participation on colleges' ECE Program Advisory Committees.

TELCCS Can Increase Community Access to their Centre Spaces

The review findings note that TELCCS centres currently provide some access to its existing space, for example on weekends for the Access Program under the Attorney General's Office for Visitation. This program supports supervised visits and exchanges between separated families in the presence of trained staff and volunteers. Further additional community benefits could be explored by Children's Services in partnership with Social Development, Finance and Administration to meet local community needs, that support both economic and community development.

TELCCS Can Address Vacancy Rates

The review findings indicate that TELCCS can consider eliminating the two week summer closures to see what impact this might have on the vacancy rate. TELCCS provides care to a more vulnerable population such as those living in shelters or refugees where there are more frequent fluctuations in demand for care, contributing to higher vacancy rates than that of non-profit and commercial operators. In 2020, TELCCS did not implement a two week summer shutdown for the first time due to the COVID-19 pandemic and earlier closures and Children's Services will continue to review the impact of eliminating the summer shutdown going forward.

TELCCS Can Advance Truth and Reconciliation

The review findings noted that there is room for all child care centres to integrate Indigenous ways of learning and knowing into their programs. They recommend that TELCCS explore further training and develop partnerships with Indigenous-led organizations as part of an effort to welcome and support Indigenous children and families and deliver culturally-responsive programming. Building on current activities, TELCCS can partner with the City's Indigenous Affairs Office to engage partners and develop models that can be used by TELCCS and shared with the broader child care sector to advance these goals.

TELCCS Can Support Equity in Workforce Advancement

The review findings found that a significant number TELCCS staff identify as Black but there are relatively few Black managers. The City has stated its commitment to advance equitable hiring and retention practices to support diverse representation of staff in supervisory and management positions. The Toronto Action Plan to Confront Anti-Black Racism recognizes that in order to ensure that child care programs reflect the diversity of the communities they serve, managers and supervisors must reflect

communities of colour. This is an area that TELCCS can make further progress.

TELCCS Can Continue its Leadership as Part of the City's Integrated Emergency Response

The review findings include information about TELCCS' history of supporting the City's emergency response program such as:

- Providing onsite play spaces in shelter hotels for displaced refugee children, during a high influx of refugees
- Staff and resource mobilization to provide programming at the emergency reception centres for families displaced by the Parliament Street fire.
- Provision of emergency child care during the City's COVID-19 response.

TELCCS role in the City's response to the COVID-19 pandemic is further described in Section C of this report and is an example of the advantage TELCCS provides to the City's emergency response infrastructure.

C. Impact of COVID-19 and a Changing Child Care Landscape

At the time that the COVID-19 pandemic was declared in March 2020, the researchers had concluded their data collection and completed the initial draft of their report. Their revisions and finalization of the report was put on hold due to the pandemic and was eventually concluded and provided to the City later in 2020. As such, the data and research findings reflect a pre-COVID-19 reality. Additional context arising from the changes due to COVID-19 are discussed in this section based on the learnings by City staff.

i. Responding to COVID-19 and Emergency Child Care

Soon after the declaration of the COVID-19 pandemic and the closures of all child care centres in March 2020, it was quickly identified that essential workers desperately needed child care in order to continue to provide essential services. Within 12 days of the provincial emergency declaration, the Province authorized the provision of emergency child care for children of essential and critical service workers, at no cost to parents, fully funded by the province. Toronto was one of the first to provide emergency child care through TELCCS.

Not only was Toronto one of the first to deliver emergency child care, but with the rapid collaboration between Children's Services and Toronto Public Health to develop the health and safety protocols to deliver emergency care, Toronto's approach served as a model for the provision of child care across the province and other jurisdictions across the country. These protocols have been the foundation for the reopening of all child care centres. This is a testament to the capacity of the City of Toronto and TELCCS in particular to provide provincial and national leadership, which the City has done in several ways both pre and post-COVID-19.

At the start of 2021, the City of Toronto and much of the province was once again under lockdown to reduce the spread of COVID-19, with in-person elementary school instruction suspended from the period of January 4 to February 12, 2021. Licensed child care programs for children up to age 4 remained open through this period, in recognition of the vital role they play in workforce participation and economic recovery. For the duration of the school closure period, the province re-introduced emergency child care programs for essential workers with children aged 4 to 12. Unlike the March 2020 lockdown, non-profit child care operators provided emergency child care (ECC), along with TELCCs, in Toronto through this lockdown, following the protocols that have been in place since child care centres re-opened. TELCCS operated 3 centres for school age children of essential workers and the non-profit sector operated 28 centre locations. The mixed delivery model of both non-profit and City provision of emergency child care is consistent with Toronto's pre-COVID child care model.

ii. Impact of COVID-19 on the Broader Child Care Sector

As noted, the vast majority of licensed child care spaces in the city are provided by non-profit, community-based service providers, with TELCCS providing 3 percent of spaces. Non-profit service providers have been extremely important partners and leaders in the sector, working with Toronto Children's Services as service system manager and with TELCCS on the roll out of new and enhanced health and safety practices related to COVID-19 in order for centres to operate during the pandemic. Many community based providers continue to demonstrate this leadership by opting to participate in the second emergency child care program for children of essential workers. .

While non-profit and commercial centres did not operate emergency child care in the first phase, they benefitted from TELCCS developing emergency child care practices which became the foundation for all centre operations once they were permitted to reopen by the Province of Ontario. In June 2020, with little notice, licensed child care programs were permitted to reopen across the Province at reduced capacities. By September, all centres were permitted to return to their full operating capacity. As of December 2020, 94 percent of licensed child care centres, and 17 of 19 licensed home child care agencies, were reopened and operating.

Since centres re-opened in June 2020 after the initial COVID-19 related closures, child care programs continue to experience fluctuations in enrollment and there have been unprecedented high vacancy rates. While federal Safe Restart Funding has been available to support centres with the operating cost of these short term vacancies, child care providers remain vulnerable to fluctuations in enrollment. Child care revenue is heavily dependent on parent fees and fee subsidies paid on behalf of qualifying parents in attendance.

While the community sector overall has faced challenges due to COVID-19, the pandemic has exposed long-standing vulnerabilities in the operation of child care in Ontario which is heavily dependent on parent fees in order to operate a service that has been shown to be essential to emergency service delivery and economic recovery. Outside of the financial challenges related to enrollment and vacancies, child care centres have faced challenges supporting their workforce through the implementation of new health and safety measures and occasional changes to child and staff screening

requirements. Community child care centres have played a critical role in supporting children and families through the pandemic and continue to demonstrate resiliency, responsiveness, and leadership in responding to a changing and uncertain landscape.

iii. Changing Child Care Landscape and the Intergovernmental Context

The child care landscape in Toronto and Ontario has undergone substantial change in recent years and has now been further impacted by the COVID-19 pandemic. Prior to COVID-19, the child care and early learning system in Toronto was growing as a result of intergovernmental investments and the implementation of Toronto's Licensed Child Care Growth Strategy. Despite this growth, affordability and accessibility remained significant challenges with Toronto having the highest child care fees in the country and some of the longest waitlists for care and for fee subsidy. Children's Services will report to the Economic and Community Development Committee in 2021 on Phase 1 of the 10-year Child Care Growth Strategy and provide recommendations for Phase 2 which considers the impacts of COVID-19, advances affordability, accessibility, equity and quality in early years and child care sector for all Toronto families, and provides a framework for future Federal-Provincial-Municipal discussions.

In addition to the impacts of COVID-19, the Provincial and Federal governments have indicated pending changes to the child care landscape. The Province recently consulted on proposed regulatory amendments to the Child Care and Early Years Act, 2014, which governs child care and early years programs in Ontario. Provincial decision on these changes was still pending at the time this report was written. In addition, the province signalled in 2018 that a new Provincial Child Care Plan would be forthcoming which, when it does, could provide for new directions or priorities for the child care system in Ontario.

On November 30, 2020, the Government of Canada released the Fall Economic Statement, which included new announcements related to early learning and child care programs. New national investments include \$75 million in funding for Indigenous early learning and child care programs, \$420 million in funding for workforce attraction and retention, and \$20 million over five years to establish a Federal Secretariat on Early Learning and Child Care to engage stakeholders and provide child care policy analysis in support of a national system. These investments built upon the Throne Speech in September by offering some funds and next steps towards building a National early learning and child care system.

iv. TELCCS Role in Economic Recovery and Rebuild from COVID-19

Research has begun on the experiences of other jurisdictions providing more flexible hours of child care and has documented some lessons learned from the experience of delivering emergency child care on a 24/7 basis. As the labour market and economy continues to shift through an economic recovery from COVID-19, continued attention to how the City can fill gaps in the child care offerings across Toronto will be an important enabler of labour market participation for parents. Hours of work in some sectors and for some jobs have required greater flexibility over the past number of decades and the demand for child care outside of the regular child care offerings (7:30am-6pm) needs to be matched with feasible child care delivery. TELCCS can be an important partner to

the City's COVID-19 recovery initiatives, as we consider new ways to meet the needs of Torontonians going forward.

D. Conclusion

It is an important time for City Council to consider the findings of this review. The COVID-19 pandemic has brought critical attention to the importance of quality, reliable, sustainable, accessible, affordable child care to economic recovery and poverty reduction, particularly for women.

The TELCCS review report prepared by the researchers (Attachment 1) provides a rich set of data and analysis to inform how the City can best support child care delivery in Toronto in a pre-COVID context, much of which still applies at this time. The report's findings that TELCCS provides unique value and meets critical gaps in Toronto's early learning and child care system affirms the importance of a public, municipal role in the delivery of child care programs. The City's directly-operated child care centres complement the essential work of community-based child care delivery and helps ensure that high demand infant spaces are available and that low-income and high needs families can access child care. And the City's leadership to respond to emergencies and acute community needs is a critical component of the value TELCCS provides.

Moreover, the City's directly operated TELCCS has demonstrated added value during the COVID-19 pandemic. By innovating and delivering the country's first emergency child care programs, TELCCS leverages a municipal role in direct delivery to respond to community needs and provides leadership to the sector, locally, provincially and nationally.

As the child care landscape continues to evolve, TELCCS can continue to support the City to be responsive, innovate new approaches, and provide support to the broader community sector through the changes ahead through many of the opportunities that have been identified. A key theme of those opportunities focuses on partnership and collaboration including:

- Partnerships across City Divisions to advance equity objectives such as reconciliation with Indigenous communities, increasing community use of City spaces and advancing equity in senior childcare leadership.
- Partnerships with community-based child care providers to share practices, innovation and knowledge to strengthen the sector.
- Partnerships with post-secondary institutions to cultivate research and applied practice to ensure high-quality care across the sector.

With the potential for transformative change in the child care landscape as the federal government considers investment in a national child care strategy, it will be important for the City to continue to assess where and how TELCCS should meet gaps or add value in an evolving landscape in the years to come. The findings from the 2018 Auditor General's report have been valuable to Children's Services as the Division continues to work with the Auditor General to implement changes and action recommendations from that report. The findings from this subsequent review of

TELCCS will also enable Children's Services to continue to maximize the value of directly operated child care to meet the needs of Toronto children and families.

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ATTACHMENTS

Attachment 1 - Review of Toronto Early Learning and Child Care Services: Their Unique Contribution to Toronto's Equity, Inclusion and Poverty Reduction Goals