



Child Care and Early Years System Update: COVID-19 Response and Child Care Growth Strategy

Economic & Community Development Committee

May 26, 2021

Child Care Growth Strategy: Phase 1 Results

Goals

Build Capacity



Reach **40,000 spaces** for 0-4 year olds

Improve Affordability



Reduce highest 1/3 of **average fees** by up to 10%

A Thriving Workforce



Improve lowest 1/3 of **wages** by up to 6%

Results



39,177 total spaces:
2,740 spaces added
7.5% increase (2016)



Base funding invested to improve affordability



Base funding invested to increase wages



+ 860
spaces
through

\$25.6M capital
from all levels of
government



+ 2,133
spaces

by maximizing
existing capacity



7.7% fee reduction
among centres with
highest fees



Wages increased by:
**8.1% for Early
Childhood Educators**
13% for Assistants in
centres with the lowest
wages

Looking Ahead: Growth Strategy Phase 2



- Access, affordability and a thriving workforce remain core principles
- Preserve existing service levels and investments made in Phase 1
- Assess impacts of COVID-19 on families and the sector and prioritize actions

Future Direction:

- Accessible and affordable child care that supports economic recovery
- Continued support for the early years workforce
- Request to other orders of government for new, sustainable operating and capital investments to achieve the goals of the Growth Strategy
- Incorporate Federal transformation opportunities

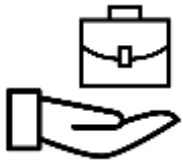
Looking Ahead: Federal Announcement



- Recent announcements of a National child care system are welcome and align closely with the core principles of Toronto's Growth Strategy: Access, affordability and a thriving workforce
- This may provide an opportunity to expedite the Growth Strategy in Toronto
- Children's Services will report to Council on the City's share of new committed funding and policy and operating terms and conditions once they are known
- Leverage new and existing partnerships to advance objectives

Socio-Economic Impacts of COVID-19

The social and economic changes wrought by COVID-19 are widespread and have extensive consequences for the child care and early years system.



Employment



Remote Work



Virtual School



Health & Safety

- Low wage workers, particularly women, Indigenous communities, newcomers to Canada and Black and racialized communities have faced more severe economic impacts due to COVID-19.
- Changes to parental work arrangements, and children's schooling, have reduced demand for child care as parents make alternate arrangements.
- Some families are also concerned about health & safety and are choosing to remain out of child care until the pandemic has subsided.

Impacts of COVID-19 on the System

Toronto has experienced a decrease in enrolment and demand for child care

- Pre-COVID-19, the child care system was characterized by high demand and insufficient spaces.
- The pandemic has caused a temporary reversal: As of March, vacancies were at 54% system wide.
- The ongoing unaffordability of child care in Toronto may continue to constrain demand in recovery from COVID-19.

Impacts of COVID-19 on Operators

- COVID-19 has exposed the vulnerability of child care programs heavily dependent on parent fee revenue for financial stability
- Federal support programs have been critical to child care operators – especially Canada Emergency Wage Subsidy (CEWS)
- “One time” Federal Safe Restart funding of \$47.5m in Q3 2020, and provincial re-investment funding of \$17.8m in Q1 2021, have supported operators further with added costs and lost revenue
- This combination of federal and provincial supports, coupled with the flexibility to re-purpose already committed funding have been largely successful in financially stabilizing the child care sector to date

Impacts of COVID-19 on Families



There is significant **uncertainty** about when families will need care again



There is a large degree of **conditionality** to families' child care needs



Families are **struggling to balance their needs** for socialization with safety



Many families are experiencing significant financial hardship

The impacts on children's learning, health, and social development are greatest for communities experiencing high inequities.

Impacts of COVID-19 on the Workforce



Recruitment and retention are ongoing challenges that existed pre-pandemic but have been exacerbated by COVID-19.



Staff have adapted to implement additional health and safety protocols, long standing uncertainty related to Vaccine Rollout has recently been addressed.



Staff are experiencing a considerable amount of stress due to safety concerns and added duties without commensurate recognition or pay.

Impacts of COVID-19 on the Growth Strategy



No Impacts to capital projects and base funding:

- Capital projects were not impacted and construction continued
- New capital programs have been progressing through the planning stages
- To protect Phase One progress on wages and fees, continued base funding was flowed to operators at the same rates as in 2019



Impacts on growth funding:

- New “one time” investments in 2020 and 2021 have been allocated for stability to preserve existing service
- In 2020 and 2021, no additional funding has been committed from other orders of government for growth or expansion

Response & Recovery for the Child Care Sector

	Access	Financial Stability	Workforce Supports
Current & past actions	<ul style="list-style-type: none"> • Fee subsidy policy flexibility • EarlyON online programming and wrap-around supports • Virtual consultations for families of children with extra support needs 	<ul style="list-style-type: none"> • Federal & Provincial funding • Ongoing base funding • Reinvested underutilized 2020 provincial allocations • Targeted supports 	<ul style="list-style-type: none"> • Health & Safety training and supports • Professional learning regarding children with extra support needs • Mental health education series • Vaccine education
	Protect progress on Growth Strategy goals through base funding at 2019 levels		
Looking Ahead	<ul style="list-style-type: none"> • Enhanced engagement and communication with families • Monitor and adjust subsidy eligibility policies 	<ul style="list-style-type: none"> • Additional targeted funding for centres most impacted • Supports for centres facing additional financial instability 	<ul style="list-style-type: none"> • Workforce recognition • Enhance responsive supports • Support recruitment and retention strategies

Actions for 2021-2022

- Further the City's equity goals by advancing response and recovery actions
- Request continued funding supports from other levels of government critical to maintaining the viability of the system until recovery is realized and families return
- Request other orders of government provide increased and sustainable multi-year operating and capital funding to achieve the vision laid out in the Growth Strategy
- Request the Government of Canada include the City of Toronto in discussions on the new National Early Learning and Child Care System as an official partner, including a role in the new National Advisory Council announced in the Federal budget in April 2021
- Communicate to other orders of government a request to contribute to the national discussions as soon as possible and bring the expertise of managing the second largest child care system in Canada to the table



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