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2024 OPERATING BUDGET BRIEFING NOTE

Status Update on City-run and City-subsidized Child Care Centres

Issue/Background:

- At its meeting on January 18, 2024, Budget Committee requested the General Manager, Children's Services, to provide a briefing note to share detailed information on where City-operated and City-subsidized child care centres currently exist and to further outline what the City's current plan is to grow childcare spaces in areas that are underserved.
- Children's Services is the legislated Consolidated Municipal Service Manager (CMSM) for early years and child care for the City of Toronto. Service system management includes the planning and managing of the system, the ongoing implementation of funded programs in accordance with provincial guidelines, including the Canada-wide Early Learning and Child Care (CWELCC) system, as well as the administration of child care fee subsidies.
- As part of its role as CMSM, Children's Services holds various service and funding agreements with child care agencies operating in Toronto, which outline the operating standards, service level expectations and eligibility criteria for funding.
- In December 2023, City Council reaffirmed the City of Toronto's support for building a system of early learning and child care services that are high-quality, public and not-for profit, affordable, inclusive and accessible for all families ([2023.EC8.10](#)).
- Under provincial direction, Children's Services is also responsible for approving expansion applications under the CWELCC system and will allocate constrained operating funding according to its Council-approved priority expansion plans that align with Toronto's equity-based planning objectives of geographic and age equity.
- Increases in capacity are achieved through a combination of City investments in its 10-Year Capital Budget and Plan for Children's Services, contributions from developers, investments from the federal and provincial governments, and in partnership with school boards. In addition, the licensed child care sector may expand and contract where community-based operators open and close centres and retrofit or re-purpose existing spaces on an annual basis.

Key Points:

- The total breakdown of licensed centre-based child care spaces in Toronto by auspice and participation in CWELCC is summarized in Table 1 below.

Table 1. Summary of Licensed Centre-Based Child Care Spaces in Toronto (as of December 2023)

Auspice	Total Number of Licensed Child Care Centres	With Child Care Fee Subsidy Agreement		With CWELCC Agreement	
		#	%	#	%
Public	37	37	100	37	100
Not-for-Profit	688	589	86	656	95
Commercial	321	78	24	232	72
Total	1,046	704	67	925	88

- Children's Services maintains a [detailed listing](#) of licensed child care locations, including an [interactive map](#), to the public to support service providers and families to locate services. These tools also summarize the ages served, centres capacities, and additional program information.
- Toronto's Licensed Child Care Growth Strategy ("Growth Strategy") was adopted by City Council in 2017 and set a 10-year vision for child care in Toronto. Founded on three key pillars to build capacity to meet demand, improve affordability for families, and support a thriving workforce, the Growth Strategy has been a key driver for growth and expansion of child care in the city of Toronto.
- More recently, expansion of child care capacity in Toronto is supported by the introduction of the CWELCC agreement. Currently in the third year of a five-year plan, the system is being implemented in stages to make child care more accessible and affordable for children under the age of six. Fees are expected to be reduced over the duration of the plan, reaching an average fee of \$10 per day across the province by the end of fiscal year 2025-2026.
- All 25 City of Toronto wards are considered priorities for expansion under CWELCC. Given that families have the choice to access child care anywhere in the city as well as the need to increase child care supply to meet population growth, expansion of affordable child care is required across the city.
- Wards have been grouped into high, medium and lower priority areas for CWELCC expansion, using an approach consistent with the Ministry of Education's Access and Inclusion Framework, as detailed in Appendix A and [reported to Council](#) in December 2023. The priority levels were determined based on:
 - shortfalls in the number of child care spaces;
 - the proportion of children 0 to 5 years living in low-income (as indicated in 2021 Census Data); and
 - the presence of one or more underserved populations identified in the Province's Draft Access and Inclusion Framework (i.e., Francophone, Indigenous, Black, other racialized, and newcomer communities).

- Children's Services continues to maximize opportunities to support the creation of new, high quality, affordable, child-care spaces by collaborating with its government, school board, and community-based partners. There are approximately 8,455 additional spaces in the development pipeline for Toronto, in various stages of planning, design, and construction. These spaces will be funded in partnership with developers, the Ministry of Education for approved school-based expansions, and through contributions from developers, subject to confirmation of funding, and Children's Services' 2024-2033 Capital Budget and Plan.
- It is estimated that an incremental capital investment of approximately \$850.0 million would be required to meet the expansion target outlined in the Growth Strategy and the Directed Growth Plan under CWELCC.
- Children's Services continues in its requests of the other orders of government for sustainable multi-year operating and capital funding, reflecting the regional costs of developing and operating licensed child care spaces in Toronto, to achieve the vision laid out in the Growth Strategy, increasing access to affordable child care programs, improving workforce compensation, and to support affordability for families.

Attachments:

Appendix A – Capital Growth for Early Years and Child Care Spaces by Ward, and Priority, 2017 and 2022

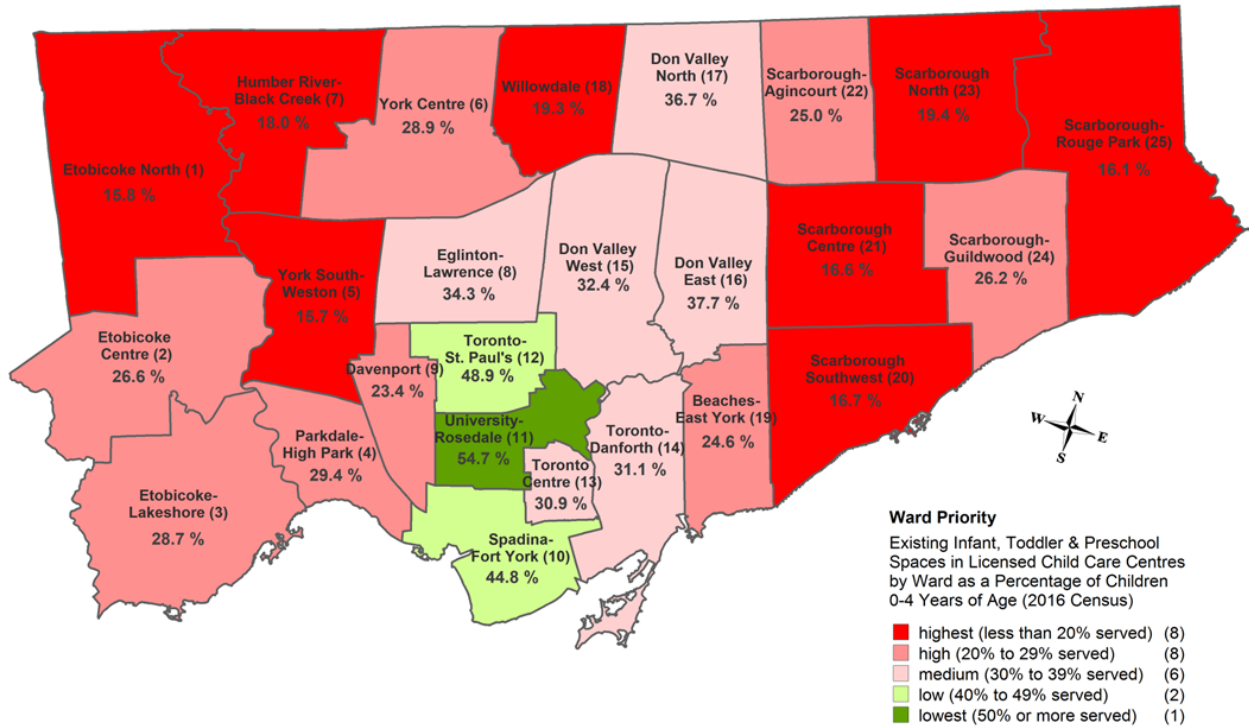
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Date: January 22, 2024

Appendix A – Capital Growth for Early Years and Child Care Spaces by Ward, and Priority, 2017 and 2022

June 2017 - Ward priority for early years child care spaces



December 2022 - Ward priority for early years child care spaces

