



Toronto 2015 BUDGET

OPERATING PROGRAM SUMMARY



Children's Services

2015 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.

2015 Budget Highlights

The total cost to deliver Children's Services to Toronto residents in 2015 is \$452.405 million gross and \$76.716 million net as shown below.

(in \$000's)	2014 Budget	2015 Budget	Change	
			\$	%
Gross Expenditures	421,733.2	452,404.6	30,671.4	7.3%
Gross Revenues	345,016.8	375,688.2	30,671.4	8.9%
Net Expenditures	76,716.4	76,716.4	0.0	0.0%

For 2015, Children's Services faced a base pressure of \$26.231 million gross, including inflationary increases for salary and benefits, as well as cost-of-living adjustment for purchased child care which was fully offset by line by line review savings, purchased child care expenditure adjustments per actual experience and base revenue changes. The 2015 budget includes an additional \$20.528 million for the Provincial Wage Subsidy increase fully funded by the Province.

Funding of \$0.535 million is included for a new Toronto Early Learning Child and Care Centre (TELCCC) with 36 new spaces, scheduled to open in July 2015, and \$1.070 million in enhanced funding to address new legislated reporting requirements as well

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Fast Facts

- 53 Toronto Early Learning and Child Care Centres, including 1 new centre opening in the summer of 2015, directly operated by the City that will add 36 new spaces.
- 4 district offices to manage service delivery.
- Children's Services is the system manager responsible for child care delivery across the City and oversees 61,640 licensed group spaces, and 25,116 fee subsidized. An additional 3,100 spaces are available through licensed home child care agencies.
- There are currently 17,000 children on the waitlist, down from 19,000 in 2013 as a result of increased Provincial funding.

Trend

- Child care subsidies are available to low-income families across the City, regardless of where the family resides. The purpose of the ward equity target is to ensure eligible families have equitable access to a child care subsidy.
- One of the goals of the Child Care Service Plan is to improve geographic equity across wards, so that all are within 10% equity.
- The percentage of wards meeting the equity target has marginally increased from 50% in 2012 to 52.5% in 2014 and

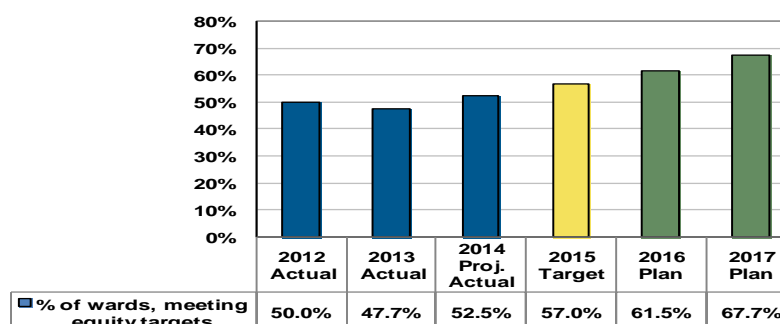
Our Service Deliverables for 2015

Children's Services is responsible for managing Toronto's Child Care system in accordance with the Council approved Child Care Service Plan and Provincial guidelines.

The 2015 Operating Budget will fund the delivery of the following:

- an average of 25,116 child care subsidies;
- 664 contracted child care centres with contracts for fee subsidy;
- 9 home child care agencies with fee contracts for subsidy;
- 68 additional child care centres with contracts for wage subsidy and wage improvement;
- 53 Toronto Early Learning and Child Care centres, and 1 home child care agency;
- 21 programs for children with special needs;
- 45 family support programs;
- 34 summer day programs; and
- 38 After School and Recreation Programs (ARC).

% of Wards Meeting Equity Targets



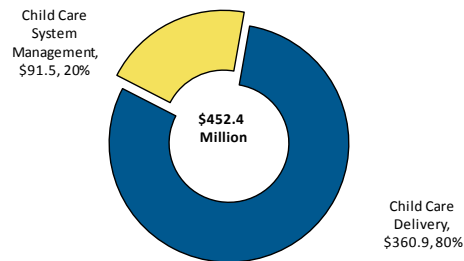
2015 Operating Budget Expenses & Funding

Our Key Challenges & Priority Actions

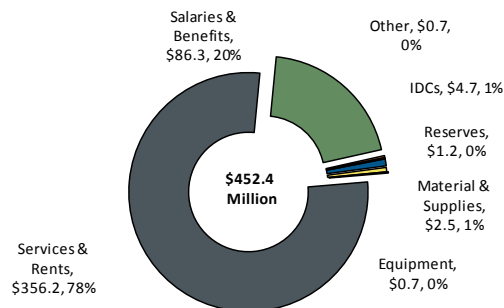
Where the money goes:

2015 Budget by Service

\$452.4 million

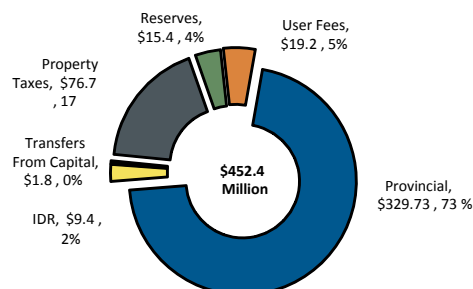


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



- **Significant demand for increased child care spaces and subsidies** - The demand for child care subsidies continue to grow and has been further augmented by the implementation of full-day kindergarten (FDK) which will be fully implemented by 2015.
 - ✓ In 2015, Children's Services will bring forward the **2015-2019 Service Plan**, which will address, among other things, the on-going modernization of child care, expanding age appropriate programs for children aged 6-12 and a capital strategy to ensure the availability of community based child care spaces.
 - ✓ Explore options to expand the After School Recreation and Care (ARC) Program in partnership with Parks, Forestry and Recreation as part of Middle Childhood Implementation Plan.
- **Funding the child care system modifications in response to changes in legislative requirements and an increase in service demand.**
 - ✓ Funding of \$1.070 million is included as an Enhanced Priority, namely, Service System Management, to help manage pressures created by the expanded child care system and from significant Provincial policy and legislative changes, including resources needed to implement a new child care funding model.

2015 Operating Budget Highlights

The 2015 Operating Budget for Children's Services of \$76.716 million net is equivalent to the 2014 Approved Net Budget.

- The Program was able to achieve a balanced budget through line by line review savings as well as increased provincial revenues.
- Funding of \$3.317 million included to increase child care subsidies from 24,932 spaces to 25,116, an increase of 184 subsidies included as an enhanced priority.
- Funding of \$1.070 million is included for 1 key enhanced priority, namely, Service System Management that will enable the Program to better manage the pressures emerging from the expanding child-care system as well as on-going changes to the Provincial legislations that require enhanced reporting.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approved the 2015 Operating Budget for Children's Services of \$452.405 million gross, \$76.716 million net, for the following services:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
Child Care Delivery:	360,878.0	64,434.0
Child Care System Management:	91,526.0	12,282.4
Total Program Budget	<u>452,404.6</u>	<u>76,716.4</u>

2. City Council approved the 2015 service levels for Children's Services as outlined on pages 16 and 20 and the associated staff complement of 982.6 positions;
3. City Council approved the user fees for discontinuation as identified in Appendix 7c in the 2015 Approved Operating Budget Analyst Notes for Children's Services, for inclusion in the Municipal Code Chapter 441, User Fees and Charges; and
4. City Council authorized the General Manager, Children's Services:
 - a. to flow up to an additional \$20.528 million gross, \$0 net to child care operators for the provincial Wage Enhancement program;
 - b. to enter into new contracts and amend existing contracts required to promote and administer the Wage Enhancement program, ensure accountability and implement system changes, in consultation with the City Solicitor; and
 - c. to work with Human Resources and Labour Relations staff to determine how to best implement the program for impacted staff in City directly operated child care and home child care agencies.

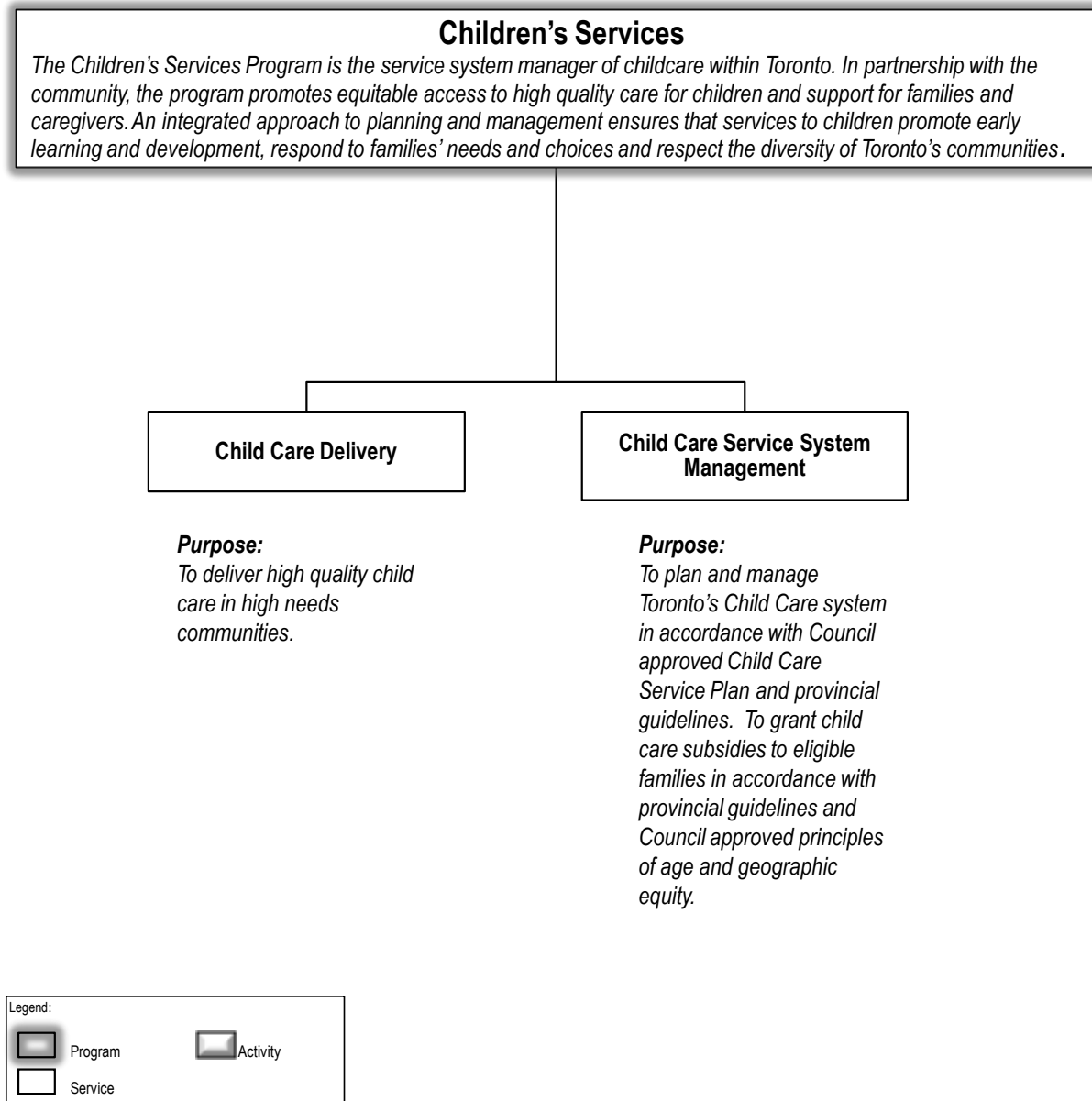


Part I:

2015 – 2017

Service Overview and
Plan

Program Map Toronto



Service Customer

Child Care Delivery

- Parents / Guardians
- Children in Child Care
- Child Care Service Providers
- Families and Children

Child Care Service System Management

- Parents / Guardians
- Province of Ontario
- Child Care Service Providers
- Children in Child Care
- Families and Children

2015 Service Deliverables

The 2015 Operating Budget of \$452.405 million gross and \$76.716 million net for Children's Services will enable the Program to fund:

- an average of 25,116 child care subsidies;
- 664 contracted child care centres with contracts for fee subsidy;
- 9 home child care agencies with fee contracts for subsidy;
- 68 additional child care centres with contracts for wage subsidy and wage improvement;
- 53 Toronto Early Learning and Child Care Services centres, and 1 home child care agency;
- 21 programs for children with special needs;
- 45 family resource centres;
- 34 summer support program; and
- 38 After School and Recreation Programs (ARC).

Table 1
2015 Operating Budget and Plan by Service

(In \$000s)	2015 Operating Budget					2015 vs. 2014		Incremental Change 2016 and 2017 Plan			
	2014										
	Approved Budget	2014 Actual	2015 Base	2015 New/Enhanced	2015 Budget	Budget Approved Changes		2016		2017	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Child Care Delivery											
Gross Expenditures	353,687.5	331,935.8	356,579.6	4,298.4	360,878.0	7,190.5	2.0%	6,111.1	1.7%	4,933.3	1.3%
Revenue	287,704.9	275,303.8	292,145.6	4,298.4	296,444.0	8,739.1	3.0%	44.0	0.0%	(8,274.5)	(2.8%)
Net Expenditures	65,982.6	56,632.0	64,434.0		64,434.0	(1,548.6)	(2.3%)	6,067.1	9.4%	13,207.8	18.7%
System Management											
Gross Expenditures	68,045.7	63,860.9	91,384.4	142.2	91,526.6	23,480.9	34.5%	(112.6)	(0.1%)	(37.6)	(0.0%)
Revenue	57,311.9	54,841.6	79,102.0	142.2	79,244.2	21,932.3	38.3%	(295.2)	(0.4%)	(8,604.2)	(10.9%)
Net Expenditures	10,733.8	9,019.3	12,282.4		12,282.4	1,548.6	14.4%	182.6	1.5%	8,566.6	68.7%
Total											
Gross Expenditures	421,733.2	395,796.7	447,964.0	4,440.6	452,404.6	30,671.4	7.3%	5,998.5	1.3%	4,895.7	1.1%
Revenue	345,016.8	330,145.4	371,247.6	4,440.6	375,688.2	30,671.4	8.9%	(251.2)	(0.1%)	(16,878.7)	(4.5%)
Total Net Expenditures	76,716.4	65,651.3	76,716.4		76,716.4			6,249.7	8.1%	21,774.4	26.2%
Approved Positions	955.7	930.7	974.6	8.0	982.6	26.9	2.8%	5.4	0.5%	(8.0)	-0.8%

The 2015 Operating Budget for Children's Services of \$452.4 million gross and \$76.716 million net is equivalent to the 2014 Approved Net Operating Budget.

- Base pressures, common to both services provided by Children's Services, are driven by contractual inflationary costs for salary and benefits totaling \$1.921 million, the cost of living adjustments for purchased child care amounting to \$5.667 million and \$1.201 million to implement the new child care funding model which will be reversed in 2017.
- The *Child Care Delivery Service* is further experiencing base pressures of \$0.535 million in 2015 from the new Toronto Early Learning and Child Care Centre Service (TELCCS) centre scheduled to open in the summer of 2015.
- The *System Management Service* includes an additional \$20.528 million for the Provincial Wage Subsidy increase fully funded by the Province.
- The above base pressures were fully offset by base expenditure savings including:
 - a reduction in the cost for purchased child care to align the actual per diem with the age mix that reflects the implementation of Full Day Kindergarten (FDK) amounting to \$6.530 million;
 - a reduction of \$1.538 million in other non-salary expense accounts to reflect actual experience;
 - revenue changes of \$26.230 million primarily due to increased Provincial subsidy, which includes \$20.580 million to deliver the Provincial Wage Enhancement program.
- The 2015 Operating Budget also includes funding of \$4.441 million for 2 new enhanced priorities that provide \$1.070 million for *Child Care Service System Management* to fund 8 new positions to assist the Program in the management of pressures created by the expanded child care system and the changing Provincial legislative requirements; and \$3.371 million to fund 184 additional child care subsidies.
- The 2016 and 2017 Plans reflect the inflationary cost increases for the purchased child care, progression pay, step and fringe benefits, as well as the increase in solid waste fees. The opening of

the new TELCCS centre in 2015 will result in an annualized impact of \$0.392 million net and 5.4 new positions in 2016. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included.

The 2015 Operating Budget for Children's Services provides for an increase in the staff complement of 26.9 positions from 955.7 in 2014 to 982.6, as highlighted in the table below:

Table 2
2015 Total Staff Complement

Changes	2015 Budget			Plan	
	Child Care Delivery	Child Care System Management	Total	2016	2017
2014 Approved Complement	915.5	40.2	955.7		
In-year Adjustments					
Adjusted 2014 Staff Complement	915.5	40.2	955.7		
Recommended Change in Staff Complement					
Prior Year Impact					
Operating Impacts of Completed Capital Project					
Capital Project Delivery					
Service Efficiency Implementation System	2.0		2.0		1.0
Block 31 Program Management *	1.0		1.0		
Base Changes					
New Funding Model Implementation	9.0		9.0		(9.0)
Opening New TELCCS Centre	6.9		6.9	5.4	
Service Changes					
New / Enhanced Service Priorities					
Service System Management	8.0		8.0		
Total	942.4	40.2	982.6	5.4	(8.0)
Position Change Over Prior Year	26.9		26.9	5.4	(8.0)
% Change Over Prior Year	2.94%		2.81%	0.5%	(0.8%)

* Project manager position funded from Operating Budget from PFR.

The 2015 increase of 26.9 positions is comprised of 18.9 additional base positions and 8 positions for enhanced service priorities resulting from the following initiatives, with all of the changes to occur in the Child Care Delivery Service:

- 9 temporary positions are necessary to assist in the implementation of the new child care funding model by developing and implementing the policies, systems, monitoring, reporting and contractual requirements at the municipal level that reflect the new Provincial framework guidelines. This initiative will require the division to update 664 existing contracts and enter up to 208 new contracts. These positions are required for a 2 year term, and will be eliminated in 2017.
- 6.9 new permanent child care worker positions are required in 2015, with the annualized 2016 impact of an additional 5.4 positions to provide service in the new Toronto Early Learning and Child Care Centre opening in 2015, which will provide an additional 36 spaces.
- 2 temporary Business Analyst positions are required, funded from capital, to deliver the IT system upgrades that are part of the Division's Service Efficiency project included in the 2015 -2024 Approved Capital Plan.

- 1 temporary project manager position is required, funded from Parks, Forestry and Recreation's Operating Budget, to deliver the Block 31 Child Care Centre and community recreation centre.
- 8 new positions are required for 1 enhanced priority to help manage the pressures in the expanded child care system. Please refer to the discussion in New Enhanced Section, page 12.

The 2015 Operating Budget for Children's Services includes base expenditure pressures of \$26.231 million net as detailed below:

Table 3
Key Cost Drivers

(In \$000s)	2015 Operating Budget		Total Rec'd 2015 Base Budget
	Child Care Delivery	System Management	
Gross Expenditure Changes			
Prior Year Impacts			
Reversal of Sec 37 capital grants		(791.3)	(791.3)
Economic Factors			
Non payroll, primarily COLA for purchased child care	5,532.0	134.6	5,666.6
Corporate charges	25.9	0.5	26.4
Adjustment for per diem mix	(5,788.3)	(742.0)	(6,530.3)
COLA and Progression Pay			
Salaries & Benefits	464.3	(207.4)	256.9
COLA	1,225.4	78.6	1,304.0
Progression Pay	304.6	55.4	360.0
Other Base Changes			
Provincial Wage Enhance Program		20,580.0	20,580.0
Provincial administrative funding to deliver the Wage Enhancement program		2,052.0	2,052.0
Management Consulting & Furniture Reversal		(47.6)	(47.6)
New TELCCS Child Care Centre	535.0		535.0
2015 Provincial funding for special needs and transition to new funding model	288.0	1,672.0	1,960.0
New Funding Model Implementation	962.1	239.0	1,201.1
Reduction in Expenditures to Reflect Actual Experience	(993.4)	537.5	(455.9)
Capital Retrofits Provincial Subsidy Realignment		(317.6)	(317.6)
IDC increases, primarily increase in facilities costs and harmonized solid waste fees	323.2	92.5	415.7
Toronto Police Vulnerable Sector Screening Fees	13.3	2.4	15.7
Total Gross Expenditure Changes	2,892.1	23,338.7	26,230.8
Revenue Changes			
Family Fee Revenue	(132.1)		(132.1)
Reversal of Capital grants from Child Care Reserve Fund			0.0
Reversal of Sec 37 capital grants			0.0
One-time Section 37 capital grant for purchased service child care		791.3	791.3
Capital Funded Positions (Service Efficiency Project)		(40.4)	(40.4)
Adjustment to Reserve Contribution Based on Funding Needs	577.6	307.6	885.1
Increase in 2015 Provincial Subsidy *	(4,886.4)	(22,848.4)	(27,734.7)
Total Revenue Changes	(4,440.9)	(21,789.9)	(26,230.8)
Net Expenditure Changes	(1,548.8)	1,548.8	(0.0)

Key cost drivers for Children's Services are as follows:

- Non-payroll inflationary cost increases, primarily COLA for purchased child care services of \$5.667 million which has been more than offset by savings of \$6.530 million as a result of adjusting the per diem for purchased child care, reflecting the implementation of Full Day Kindergarten (FDK) and by bringing the mix of child care spaces in line with the different age groups. As well, \$1.960 million is included in additional Provincial subsidy to support core inflationary programming increases.
- Cost of living adjustments, including contractually obligated cost of living allowance, progression pay and associated fringe benefit adjustments, common amongst all services total \$1.921 million.
- Other Base Changes further add a pressure of \$3.577 million include; funding of \$1.960 million for special needs programming and transitional support for the new funding model; \$1.201 million for additional 9 temporary positions to implement the new child care funding model which will be reversed in 2017; and \$0.416 million in increased interdepartmental charges for facilities maintenance and the harmonization of solid waste fees.
- These base changes were partially offset by a reduction of \$0.404 million in other non-salary expense accounts to match actual experience.
- The *Child Care Delivery Service* is further experiencing base pressures of \$0.535 million in 2015 for the new TELCCS centre scheduled to open in the summer of 2015.
- The *System Management Service* includes base pressure of \$20.528 million for the Provincial Wage Enhancement increase and \$2.052 million in administrative funding to deliver the programming.
- Revenue Changes of \$26.231 million are included in the 2015 Approved Base Budget, as noted below:
 - Inflationary increase of \$0.132 million in family fee revenue representing the third year of a phased-in fee increase based on full cost recovery as approved by City Council in 2012.
 - Adjustment of \$0.885 million in funding from the Child Care Expansion Reserve.
 - Increase of \$27.735 million in Provincial subsidy, with \$5.155 million to fund base pressures and \$22.580 million (including administration) to fund the Provincial Wage Enhancement legislated requirements.
 - Adjustment of \$0.791 million in Section 37 capital grants and \$0.040 million to fund capital positions required to deliver the Service Efficiency Project.
- A number of technical adjustments within the 2 services are necessary to realign gross expenditures and revenues to better reflect the cost of service delivery. The impact of these adjustments reflects a decrease in *Child Care Delivery* of \$1.549 million, which is offset by a comparable increase in *System Management*, with no overall impact.

Table 5
2015 Total New & Enhanced Service Priorities Summary

Description (\$000s)	New and Enhanced				Total Appr'd Service			Incremental Change			
	Child Care Delivery		System Management		\$'s	\$'s	Position	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
Service System Management	927.4		142.2		1,069.6		8.0				
184 Additional Child Care Subsidies	3,371.0				3,371.0						
Sub-Total	4,298.4		142.2		4,440.6		8.0				
Total	4,298.4		142.2		4,440.6		8.0				

Enhanced Service Priorities (\$4.441 million gross and \$0.0 million net)

Service System Management (\$1.070 million gross and \$0 net)

- 8 new permanent positions are required to help manage the expanded child care system resulting from significant Provincial policy and legislative changes, the implementation of Full Day Kindergarten (FDK), and new funding framework, which includes new legislation, intended to modernize child care and implement a Wage Enhancement program for front-line child care workers. Funding for these positions is cost shared with the Province.
- The new positions will provide the following activities:
 - 3 IT positions are required to manage the Program's expanded on-line reporting requirements;
 - 1 consultant position is required for French language services under the auspices of the French Language Services Act;
 - 1 coordinator position is required for enhanced complement management responsibilities; and
 - 3 policy development positions are required to develop a capital strategy to increase spaces in the city-wide child care system; lead the implementation of the Middle Childhood Strategy; and help implement the automated income verification system required for improved subsidy management between CS, TESS, and SSHA.

184 Additional Child Care Subsidies (\$3.371 million gross and \$0 net)

- The 2015 Provincial funding provided an increased in base subsidy of \$8.791 million, an increase of 3% from the 2014 funding levels. This funding allows the Program to continue to increase investment in legislated and core service programming, and to allocate \$3.371 million to fund an increase of 184 subsidized child care spaces for infants and toddlers and pre-school age groups.

- The 2015 Base Budget for Children's Services includes a 2016 incremental increase of \$6.250 million net and a incremental increase of \$21.774 million net in 2017 to maintain the same level of service as discussed in the next section.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Prior Year Impact: Keele St Project Completion	(295.2)	(295.2)								
Progression Pay & Step Increases	360.0		360.0	0.5%		360.0		360.0	0.4%	
Annualization - New Child Care Centres	392.2		392.2	0.5%	5.4					
Annualization of Funding Model Implementation						(1,201.2)	(1,201.2)			(9.0)
Operating Impact of Capital						51.0		51.0	0.1%	1.0
Revenue - Inflation User Fee		44.0	(44.0)				44.0	(44.0)		
Actual Cost of Child Care	5,510.8		5,510.8	7.2%		5,654.9		5,654.9	6.8%	
Increase in Solid Waste Fees	30.7		30.7	0.0%		30.7		30.7	0.0%	
Increase in IT Services						0.3		0.3	0.0%	
Depletion of Reserves							(15,721.5)	15,721.5	18.9%	
Sub-Total	5,998.5	(251.2)	6,249.7	8.1%	5.4	4,895.7	(16,878.7)	21,774.4	26.2%	(8.0)
Total Incremental Impact	5,998.5	(251.2)	6,249.7	8.1%	5.4	4,895.7	(16,878.7)	21,774.4	26.2%	(8.0)

Future year incremental costs are attributed to the following:

Known Impacts

- Progression pay, step and fringe benefits will result in increased pressure of \$0.360 million in 2016 and 2017. Since 2016 is a collective bargaining year, no estimate for the cost of living allowance is included.
- Annualized impact of the new Weston Road Child Care Centre scheduled to open in July, 2015 is \$0.392 million, with 5.4 additional positions required in 2016.
- Savings of \$1.201 million and reduction of 9 positions is included in 2017, reflecting the completion of the New Funding Model Implementation project.
- Operating Impact of Capital of \$0.051 million to fund 1 IT position in 2017 is required to sustain the Service Efficiency Implementation project.
- Revenue increase of \$0.044 million is included in 2016 and in 2017 to reflect the inflationary impact of family fee increases.
- Actual Cost of Child Care is projected to increase by \$5.511 million in 2016 and by \$5.655 million in 2017 to fund the COLA increase for purchased child care.
- Solid Waste Fee is projected to increase by \$0.031 million in both 2016 and 2017 to reflect the phase-in of commercial rates.
- IT Service Contract increase in 2017 will result in a pressure of \$0.003 million.
- Depletion of the Child Care Expansion Reserve Fund will result in a \$15.721 million pressure in 2017.



Part II:

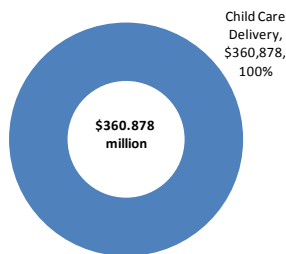
Council Approved
Budget

Child Care Delivery

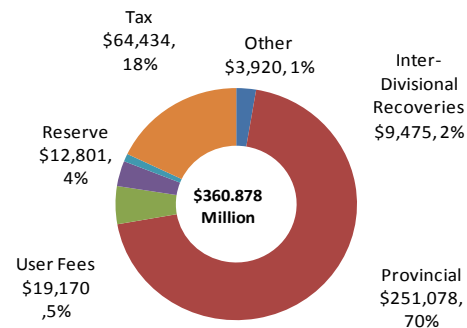
What We Do

- Provide 25,116 fee subsidies to help eligible families with the high cost of early learning and care.
- Provide Family Well-Being Support services, which include supports to families to address their personal circumstances or special needs.
- Deliver child care directly through the Toronto Early Learning and Child Care Services that provides enriched early learning and care service to families 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 programs (ARC).

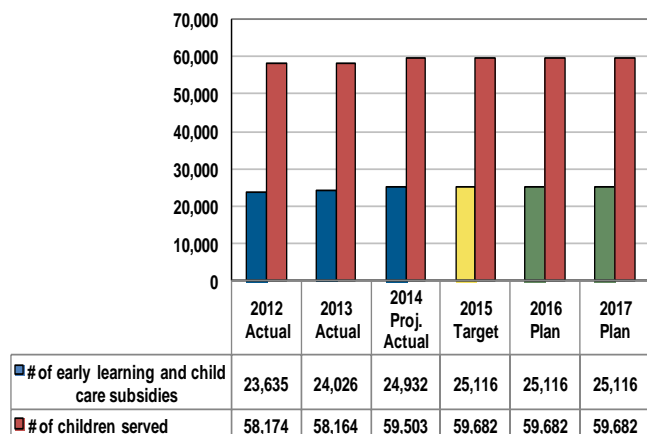
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Number of Early Learning and Child Care Subsidies



- Children's Services will deliver 25,116 child care subsidies in 2015 which are allocated across City wards based on the proportion of children in the ward who are living below the poverty line, reflecting an increase of 184 subsidies from 2014.
- The number of children served has increased from 58,174 in 2012 to 59,503 in 2014 due to system expansion.

2015 Service Levels

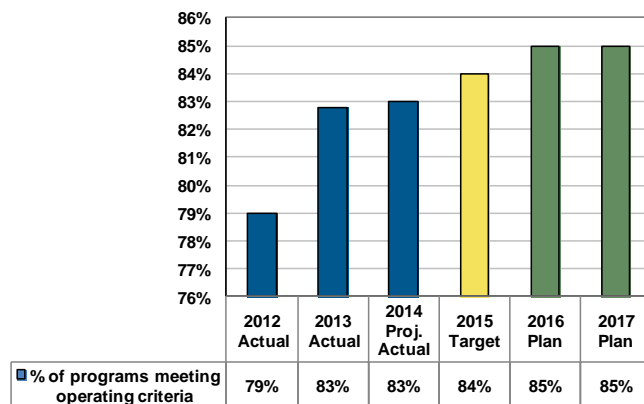
Child Care Delivery

The 2015 Approved Service Levels are consistent with the approved 2014 Service Levels

Type	Sub-Type	Status	Service Levels			
			2012	2013	2014	2015
Early Learning and Care Information		Approved	annual			
Enriched Early Learning and Care	School aged Children - % occupancy of school aged children placed through Toronto Early Learning and Child Care Services	Approved	94% of the 98% occupancy target achieved			
	Kindergarten aged Children - % occupancy of Kindergarten aged children placed through Toronto Early Learning and Child Care Services	Approved	98% of the 98% occupancy target achieved			
	Pre-School Children - % occupancy of Pre-school Children placed through Toronto Early Learning and Child Care Services	Approved	99% of the 98% occupancy target achieved	96% of the 98% occupancy target achieved		
	Toddlers - % occupancy of Toddlers placed through Toronto Early Learning and Child Care Services	Approved	98% of the 98% occupancy target achieved	96% of the 98% occupancy target achieved		
	Infants - % occupancy of Infants placed through Toronto Early Learning and Child Care Services	Approved	100% of the 98% occupancy target achieved			
Family Financial Support	Wage Subsidy	Approved	annual			
	Special Needs Subsidy	Approved	annual			
	Child Care Fee Subsidy	Approved	annual			
	Family Resource Centre Subsidy	Approved	annual			
	City Funded Grants	Approved	annual			
Family Well-Being Support Care		Approved	annual			

Service Performance

Percentage of Programs Meeting Operating Criteria



- All child care centres with a service contract for fee subsidy are assessed for quality standards. This assessment rates a centre's activities, learning, health, safety, adult/child interactions and nutrition by comparing them to the standards laid out in the Early Learning and Care Assessment for Quality Improvement (AQI), a tool used to evaluate the City's expectations of quality for child care programs.
- Ratings for each of the 635 centres are posted on the Children's Services Website, which provides results for the current year, along with comparisons to the previous year and the average of all centres.
- The number of centres meeting the Early Learning and Care Assessment for Quality Improvement (AQI) has increased from 79% in 2012, with projections of 83% in 2014. Centres are projected to be at 85% by 2017.

Table 7
2015 Service Budget by Activity

(\$000s)	2014	2015 Operating Budget							2015 Budget vs. 2014 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	2015 Base	Base Budget vs. 2014 Budget	% Change	New/Enhanced	2015 Budget			2016 Plan		2017 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Child Care Delivery	353,687.5	356,579.6		356,579.6	2,892.1	0.8%	4,298.4	360,878.0	7,190.5	2.0%	6,111.1	1.7%	4,933.3	1.3%
Total Gross Exp.	353,687.5	356,579.6		356,579.6	2,892.1	0.8%	4,298.4	360,878.0	7,190.5	2.0%	6,111.1	1.7%	4,933.3	1.3%
REVENUE														
Child Care Delivery	287,704.9	292,145.6		292,145.6	4,440.7	1.5%	4,298.4	296,444.0	8,739.1	3.0%	44.0	0.0%	(8,274.5)	(2.8%)
Total Revenues	287,704.9	292,145.6		292,145.6	4,440.7	1.5%	4,298.4	296,444.0	8,739.1	3.0%	44.0	0.0%	(8,274.5)	(2.9%)
NET EXP.														
Child Care Delivery	65,982.6	64,434.0		64,434.0	(1,548.6)	(2.3%)		64,434.0	(1,548.6)	(2.3%)	6,067.1	9.4%	13,207.8	18.7%
Total Net Exp.	65,982.6	64,434.0		64,434.0	(1,548.6)	(2.3%)		64,434.0	(1,548.6)	(2.3%)	6,067.1	9.4%	13,207.8	18.7%
Approved Positions	915.5	934.1		934.1	18.6	2.0%	8.0	942.1	26.6	2.9%	5.4	0.6%	(8.0)	(0.9%)

The 2015 Operating Base Budget for Child Care Delivery Service of \$360.878 million gross and \$64.434 million net is \$1.549 million or 2.3% below the 2014 Net Budget.

The **Child Care Delivery Service** provides 25,116 fee subsidies through the use of contracted child care service delivery and through the 53 TELCC centres that help eligible families meet the cost of early learning and care

- Base budget pressures are due mainly to salary and benefits increases, the cost-of-living-adjustments for purchased child care and pressures to implement the new child care funding model, as well as for the new TELCCS centre scheduled to open in July, 2015.
- The base budget reductions in the cost for purchased child care, reductions identified through line-by-line reviews and an increase in Provincial subsidy and family fee revenues were able to more than offset the base-budget pressures bringing the base budget to \$1.549 million or 2.3% under the 2014 Approved Budget.
- The 2015 Approved Operating Budget for Child Care Delivery Service includes funding of \$4.298 million for the Service System Management enhanced priority that adds 8 new permanent positions that will assist in managing pressures created by the expanded child care system resulting from significant Provincial policy and legislative changes; as well as funding for 184 new child care subsidies that will support infants, toddlers, pre-school aged children.
- The 2016 and 2017 plans reflect the inflationary cost increases for the purchased child care, progression pay, step and fringe benefits, as well as the increase in solid waste fees. The opening of the new TELCCS centre in 2015 will result in annualized impact of \$0.392 million net and 5.4 new positions in 2016. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included. The depletion of the Child Care Expansion Reserve fund, primarily used to fund on-going base budget pressures to maintain the provision of child care subsidies, will result in a \$8.275 million pressure in 2017.

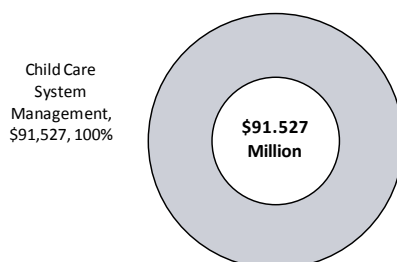
Child Care System Management

Child Care System Management

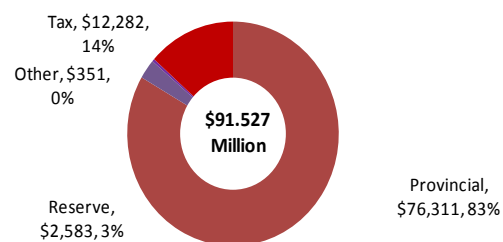
What We Do

- Plan and manage Toronto's Child Care system in accordance with the Council approved Children's Services 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.
- Through administration of Best Start Wage Improvement, Wage Subsidy, Pay Equity and Occupancy grants, enable providers to maintain affordability of child care services, and partner with stakeholders, including community agencies, other orders of government, school boards and families to better meet the needs of Toronto's children and families.

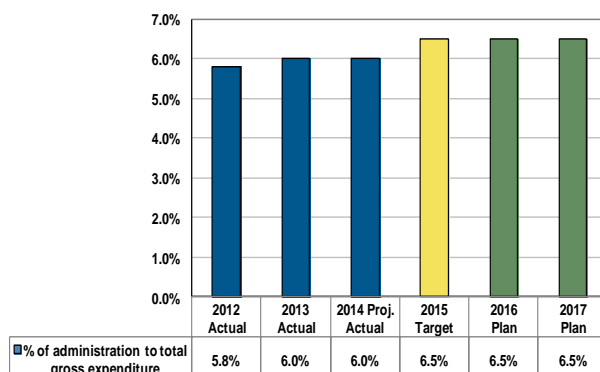
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Efficiency: Administration as a Percentage of Total Gross Expenditures



- Historically, the cost of program delivery has been maintained between 5% and 6% of the Program's gross expenditures. For 2015, 2016 and 2017, administrative costs are projected to temporarily increase slightly to 6.5%, reflecting the impact of managing the expanded child care system, additional Provincial service requirements and the new funding model.
- Administrative cost ratios have historically been kept significantly below the Provincial guideline of 10%.

2015 Service Levels

Child Care System Management

The 2015 Service Levels are consistent with the approved 2014 Service Levels.

Type	Sub-Type	Status	Service Levels			
			2012	2013	2014	2015
Integrated Service System Planning	Service Plan	Approved	100%			
	Service Plan - Curriculum Development	Approved	100%			
	Service Plan - Policy Development	Approved	100%			
	Children's Report Card - # children's report cards updated	Approved	Quarterly			
Early Learning and Care Quality		Approved	annual			
Early Learning and Care Capacity		Approved	annual			
Research and Innovation		Approved	annual			
Service Providers Financial Support - # of Service Providers with Financial Support		Approved	Quarterly			

Table 7

2015 Service Budget by Activity

(\$000s)	2014	2015 Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Service Changes	2015 Base	Base Budget vs. 2014 Budget		New/Enhanced	2015 Budget	2015 Budget vs. 2014 Budget		2016 Plan		2017 Plan	
	\$				\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
System Management	68,045.7	91,384.4		91,384.4	23,338.7	34.3%	142.2	91,526.6	23,480.9	34.5%	(112.6)	-0.1%	(37.6)	(0.0%)
Total Gross Exp.	68,045.7	91,384.4		91,384.4	23,338.7	34.3%	142.2	91,526.6	23,480.9	34.5%	(112.6)	-0.1%	(37.6)	(0.0%)
REVENUE														
System Management	57,311.9	79,102.0		79,102.0	21,790.1	38.0%	142.2	79,244.2	21,932.3	38.3%	(295.2)	-0.4%	(8,604.2)	(10.9%)
Total Revenues	57,311.9	79,102.0		79,102.0	21,790.1	38.0%	142.2	79,244.2	21,932.3	38.3%	(295.2)	-0.4%	(8,604.2)	(12.2%)
NET EXP.														
System Management	10,733.8	12,282.4		12,282.4	1,548.6	14.4%		12,282.4	1,548.6	14.4%	182.6	1.5%	8,566.6	68.7%
Total Net Exp.	10,733.8	12,282.4		12,282.4	1,548.6	14.4%		12,282.4	1,548.6	14.4%	182.6	1.5%	8,566.6	68.7%
Approved Positions		40.5		40.5	40.5			40.5	40.5				1.0	2.4%

The 2015 Operating Base Budget for Child Care System Management Service of \$91.527 million gross and \$12.282 million net is \$1.549 million or 14.4% over the 2014 Approved Net Budget.

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

- Base budget pressures are mainly due to the economic factor increases of \$1.065 million cost of living adjustments for purchased child care amounting to \$0.135 million and inflationary cost of increase related to salary and benefits. Other base pressures include \$1.960 million for special needs programming and transitional support for the new funding model; and \$0.239 million to plan and implement the new child care funding model
- Base budget pressures include \$20.580 million to deliver the legislated Provincial Wage Enhancement program, the administrative cost to deliver the Enhancement program, as well as additional funding for special needs programming, transitional funding to assist with the implementation of the new child care funding model, and cost of living adjustments for purchased child care, and an inflationary increases related to salary and benefits.
- The base budget pressures were partially offset by base expenditure savings of \$0.742 million in the cost for purchased child care by aligning the actual per diem with the age mix that reflects the implementation of FDK.
- Revenue changes for this Service reflect a reduction of revenues of \$0.307 million necessitated by the need to realign the Provincial subsidy and reserve contribution between the 2 services to better reflect actual expenditures, as well as an increase of \$22.848 million in Provincial funding to deliver the legislated Provincial Wage Enhancement program.
- The 2015 Approved Operating Budget for Child Care System Management Service includes funding of \$0.142 million for the Service System Management enhanced priority.
- The 2016 and 2017 plans reflect the inflationary adjustments for salary and benefits, offset by a reduction of a capital grant funded through a Section 37 Reserve Fund, as well as the depletion of the Child Care Expansion Reserve fund, primarily used to fund on-going base budget pressures to maintain the provision of child care subsidies will result in a \$8.604 million pressure in 2017.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

Response to System Growth

- Since 2010, the child care system in Toronto has experienced unprecedented growth, with a 15.4% increase in licensed child care spaces. Total licensed child care spaces in group centres have increased from 53,402 in 2010 to 61,640 in 2014.
- The system expansion, combined with other significant Provincial policy and legislative initiatives, including the introduction of Full-Day Kindergarten, a new children's services funding framework and a Wage Enhancement program for front-line child care workers (as part of the Province's Poverty Reduction Strategy) have placed pressure on the Division's staff resources, which have not kept pace with system growth.

a) Expanded System Management

- Implementation of these initiatives will require a methodical systems approach to ensure stability of the system and continued access to licensed child care for families. In 2015, the Program will also be required to enter into new contracts with up to 280 new child care operators in order to administer the new Provincial wage enhancement program .
- to enable Children's Service to manage the emergent pressures in the child care system and on-going Provincial legislation changes, the 2015 Approved Operating Budget includes the following changes to the Program's staff complement:
 - *Funding Model Implementation & New Wage Enhancement Positions:* 9 temporary positions are approved in 2015 through 2016 to implement the new Child Care Funding Model and the Provincial Wage Enhancement program. These positions are fully funded by the Province, as part of the child care modernization and poverty reduction initiatives. As service system manager, the City will be required to promote, implement and administer the new Provincial wage enhancement program .

The primary position responsibilities include:

- Implement the systems necessary to deliver, monitor and report on the Provincial Wage Enhancement program; entering new/ amending existing contracts with approximately 950 operators; and
 - Develop and implement operational policies and procedures, including adapting existing policies, procedures and budget guidelines and IT infrastructure to ensure alignment with new Provincial guidelines.
- *Service System Management Requirements:* 8 new permanent positions are approved in 2015, with funding for these positions cost-shared with the Province.

These positions will provide the following activities:

- 2 positions to manage the Children's Services increased responsibilities for expanded online services for operators, including increasing the use of mobile technology for field staff, increased project management to support business analysis and ongoing delivery and sustainment of critical business tools;
- 1 Systems Integrator to lead and implement the Business Intelligence Strategy, which will include providing a structured framework to support business intelligence and enable Children's Services to build, utilize and maintain reliable performance measurement systems;
- 1 District Operation Management position is required to manage Children's Services French language community, including the French translation of all Program written materials, complaints resolution, technology communications, and will have a lead role as a liaison with the French Public/French Catholic School Boards. The consultant will also develop business plans with French language operators and school boards to build capacity for younger aged children;
- 1 coordinator position is required to manage staff recruitment, training and scheduling to meet legislated staffing ratios, as the implementation of FDK programs has resulted in a significant increase in the number of part-time staff. Resource needs include recruitment, orientation, training, and policy and procedure reviews of complement management; and
- 3 policy-development positions are required for the following activities: advance automated income verification procedures with TESS and SSA; advance Middle Childhood Strategy as part of 2015 – 2019 Service Plan with other City programs; and help deliver a capital strategy to increase licensed child care spaces in underserved neighbourhoods.

b) Capital Needs

- The growth of the child care system in the past few years has highlighted the lack of available licensed child care spaces and the growing demand for care from Toronto's families especially those requiring services for infant age groups. The lack of availability of childcare spaces for infants is a critical and longstanding challenge in Toronto.
- Children ages 4-12 have access to a universal education program for 6 hours a day, and Children's Services has a complimentary strategy to meet the needs for before and after school care, in schools, for this age group.
- To address this disparity, Children's Services will focus the investment of capital dollars on the development of child care for children ages birth to 3. New child care capital projects will be funded in wards where the projected number of spaces to serve children of infant and toddler age is fewer than the number of subsidies allocated for these age groups.
- Because there is limited capital funding available, Children's Services will continue to look for partnerships with other City Programs and Agencies planning expansions or capital developments. The Program will explore opportunities in community hubs, partnerships with school boards and Toronto Community Housing. Children's Services has partnered successfully with other City Programs in recent years and will continue to employ this strategy in 2015.

- Through the Schools-First Child Care Capital Retrofit Policy, announced by the Ministry of Education in July 2014, Children's Services will continue to work with Toronto school boards to plan capital investments and stabilize the child care system by taking vacant school-based licensed child care spaces and converting them to space for younger children.

New Provincial Funding Framework

- In previous years, Children's Services received Provincial funding through a cost sharing agreement in which the Province provided funding on a 50/50, 80/20 and 100% basis, with subsidy allocated through a structure that included the following components: recovery of administrative costs, special needs, wage subsidy, high needs subsidy, and Ontario Works.
- In 2012, the Province introduced the new child care funding framework, which provides funding through the following framework: Core Service Delivery, Special Purpose Funding and Capital and provides the City with increased flexibility as to where it allocates resources.
- In 2014, the Province adjusted its funding structure that brought additional funding to municipal governments, including an additional \$20.836 million to the City of Toronto.
- While this investment represents a significant increase in funding, in order to address the community's need for service, and to mitigate the risk to providers as a result of the implementation of Full Day Kindergarten, Children's Services used all but \$0.900 million of the incremental funding to support on-going legislated funding requirements, existing core programming, and to fund an increase in the number of child care subsidies by 668, bringing the number of childcare subsidies to 24,932.
- The new funding framework provides greater flexibility in program administration such as the allocation of funding based on local needs; simplified reporting requirements, and a commitment to provide 3 year support for minor capital funding. However, there remains the outstanding need for the Province to commit to index base funding.
- While there are outstanding issues that have not been addressed by the new funding framework. The Province, the City, and other municipal service operators continue to work together on the modernization of child care.
- A proposed new child care funding model for Toronto is expected to be presented to Council in the second quarter of 2015, with scheduled implementation in 2016.

Updating 2015 Provincial Funding

- On April 20, 2012, in a budget backgrounder titled "Making the Ontario Budget Even Better," the Province announced new assistance for child care operators. The announcement advised that across the Province, additional funding of \$90.0 million will be available in 2012-13; \$68.0 million in 2013-14; and, \$84.0 million in 2014-15.
- In 2013, the Province allocated additional base funding of \$8.392 million to the City (3.1% increase in base funding); in 2014, Children's Services received increased funding of \$20.836 million, an increase of 7.6%. While this investment represented a significant increase in funding, the Program used all but \$0.900 million to support on-going programming pressures, new legislative requirements and to provide funding for 668 new child care subsidies.

- The 2015 Approved Operating Budget for Children's Services includes additional Provincial revenue of \$31.371 million net, comprised of a base increase of \$8.791 million, which represents a 3% increase in the base subsidy. Children's Services has allocated \$3.371 million of this increase to provide an additional 184 child care subsidies, \$0.500 million to reduce the draw from reserves with the remainder of the base increase directed to special needs programming, the transition to the new funding model, and to address current inequities in the child care system. Included in the Provincial revenue increase is funding to support the new Provincial Wage Enhancement program, a component of its Poverty Reduction program that will support the licensed child care sector. Children's Services has been allocated \$20.528 million in wage enhancement dollars, as well as \$2.052 million to administer the delivery of the program.

Decrease in the Cost of Subsidized Spaces

- The 2015 Approved Operating Budget for Children's Services includes a reduction of \$6.530 million net to the 2015 Purchased Services budget to better align the budgeted cost of purchased services child care spaces with the actual cost of these spaces reflected in the budget submissions of approximately 664 purchased service providers.
- This adjustment also realigns the budget to reflect the actual case mix distribution. It is anticipated that this adjustment will address the projected under-spending reported through the 9 month Operating Budget Variance Report.
- However, actual costs are expected to increase in future years as the number of infants and toddler spaces expand within the system given the high costs of providing infant care. This transformation, which will be expedited by a number of City and Provincial initiatives, will span 5 years.

Future Year Issues

Depletion of the Child Care Expansion Reserve Fund

- Children's Services has been able to maintain existing service levels by withdrawing annually from the Child Care Expansion Reserve Fund.
- The balance in the reserve fund at the end of 2014 is projected to be \$49.496 million. The budgeted 2015 withdrawal is \$12.720 million, leaving \$37.158 million in the reserve to fund services in 2016. Without additional funding, the Child Care Expansion Reserve fund will be fully depleted in 2017, which will require the Program to begin reducing child care subsidies at the end of 2016.
- Should the Province or the City fail to provide additional resources to maintain the existing Council-approved service level of 25,116 child care fee subsidies, there will be a need to gradually reduce subsidized spaces beginning in September 2016.

Efficiency Study Implementation Progress

Service Efficiency Implementation

- The 2012 City Manager's Service Efficiency Study for the Children's Services Division (CD13.3, May 23, 2012 "Terms of Reference - Service Review of Children's Services and Long Term Care Homes and Services") Approved: that Children's Services review "...the current child care operator budget process to maximize opportunities to streamline and automate the process as part of the Division's information system upgrade; and that the Program initiates changes necessary to provide "optimal service efficiency savings ...in the shortest period of time...".
- In response to these recommendations, the 2014-2023 Approved Capital Plan for Children's Services provided \$0.625 million in 2014 to support a feasibility study to validate savings projections; an additional \$2.550 million was included in 2015-2017 to complete the project deliverables, subject to a positive outcome from the cost-benefit analysis undertaken as part of the feasibility study.
- While the feasibility study is scheduled for completion in early 2015, preliminary analysis indicates that incremental savings of up to \$0.492 million annually will be realized, with a 20% improvement in processing time for parents requesting child care subsidies and a significant improvement in operator's on-line support.
- As a result, the 2015 – 2024 Approved Capital Plan for Children's Services includes \$2.550 million for system development with funding commitments of \$1.050 million in 2015, \$1.000 million in 2016, and \$0.500 million in 2017 available for completing system upgrades.
- Any projected savings will be revisited during the future year budget review process, once the project has been completed and reinvested in the child care system.

Issues Referred to the 2015 Operating Budget Process

Funding Ongoing COLA

- With the approval of the 2014 Capital and Operating Budgets on January 30, 2014 Ex 37.1aj "Children's Services Amendment to 2014 Approved Operating Budget to Reflect Increase in Provincial Contributions", Council approved \$20.836 million as an additional Provincial base funding allocation.
- In the same report, it was indicated that Children's Services will report to Council on a long-term strategy that will incrementally replace reserve fund contributions with adjustments to its base budget.
- Historically, the shortfall has been attributed to the gaps between Provincial funding and the actual service costs. However, the Program's funding structure is changing to reflect the new Provincial guidelines and legislative requirements.
- As noted in the report, Children's Services will be reporting the details of the new funding model to City Council in the second quarter of 2015, which is scheduled for implementation in 2016.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, Children's Services accomplished the following:

- ✓ Increased number of licensed child care spaces in the Toronto system by 16% and fee subsidies by 668, or 2.8%;
- ✓ Implemented the validated Early Learning and Care Assessment for Quality Improvement (ELCAQI) tool and provided training on the tool to 1,900 participants and support visits to 300 child care operators;
- ✓ Enhanced partnerships to support Aboriginal families wishing to access high quality, culturally specific, early learning and care services;
- ✓ Completed extensive community, intergovernmental and stakeholder engagement on the 2015-2019 Service Plan, development of the new child care funding model, Special Needs, Home Child Care, and Systems Planning; and
- ✓ Opened newly renovated Kipling Early Learning and Care Centre, adding 36 child care spaces.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Actuals	2014 Approved Budget vs. 2014 Actual Variance	
	\$	\$	\$	\$	\$	%
	383,804.3	383,976.0	421,733.2	395,796.7	(25,936.5)	(6.1%)
Revenues	307,733.8	307,259.6	345,016.8	330,145.4	(14,871.4)	(4.3%)
Net Expenditures	76,070.5	76,716.4	76,716.4	65,651.3	(11,065.1)	(14.4%)
Approved Positions	936.8	931.4	955.7	930.7	(25.0)	(2.6%)

2014 Experience

- Children's Services reported a net favourable variance of \$11.065 or 14.4% lower than planned for the year-ended December 31, 2014.
- Gross expenditures were lower than budgeted by \$25.937 million or 6.1%, largely due to under-spending in purchased child care, reflecting an actual child care mix that was significantly different from the budgeted mix. This stems from a shortage of space in the systems for toddlers and infants and from a lower than projected per diem for children entering Full Day Kindergarten in September 2014. These conditions, which resulted in under-spending, were not apparent until the last quarter of 2014, leaving the Division with limited opportunity to respond. Given the under-spending in expenditures, the planned contribution of \$12.963 million from the reserves was not required at year-end.

Impact of 2014 Operating Variance on the 2015 Approved Budget

- As Children's Services had under spending of \$25.937 million gross with net favourable variance of \$11.065 million, the \$12.963 million in reserve funding budgeted in 2014 is not required, and will be used in 2015 to fund operating costs.
- Since the savings in purchased child care is expected to continue into 2015, the 2015 Operating Budget for Children's Services includes a reduction of \$6.530 million to the 2015 Purchased Service Budget to better align the budgeted cost of purchased child care spaces with the actual cost of service delivery.

Appendix 2

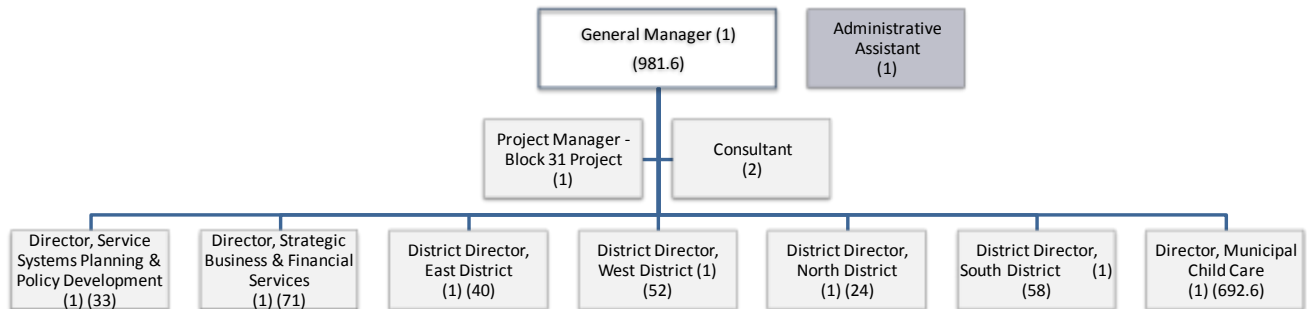
2015 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from 2014 Approved		Plan	
	Actual	Actual	Budget	Actual	Budget	Budget		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	72,479.7	73,247.5	80,237.5	75,385.2	86,310.5	6,073.0	7.6%	85,510.5	84,720.6
Materials and Supplies	2,891.0	2,805.1	2,591.7	2,161.5	2,522.4	(69.3)	(2.7%)	2,566.7	2,612.1
Equipment	1,360.9	529.1	630.3	743.7	725.5	95.2	15.1%	738.4	751.6
Services & Rents	303,474.0	303,415.6	332,816.7	313,240.8	356,227.9	23,411.2	7.0%	335,752.4	341,348.3
Contributions to Capital									
Contributions to Reserve/Res Funds	1,190.7	1,190.7	1,178.9	1,194.0	1,178.9			1,178.9	1,179.1
Other Expenditures	(274.4)	68.8	694.5	19.3	715.2	20.7	3.0%	715.2	715.2
Interdivisional Charges	2,682.5	2,719.3	3,583.5	3,052.2	4,724.2	1,140.7	31.8%	4,029.9	4,060.9
Total Gross Expenditures	383,804.4	383,976.0	421,733.2	395,796.7	452,404.6	30,671.4	7.3%	430,492.1	435,387.8
Interdivisional Recoveries	7,889.5	6,320.1	10,200.0	6,017.2	9,475.0	(725.0)	(7.1%)	10,200.0	10,200.0
Provincial Subsidies	274,771.1	277,613.5	298,298.8	298,328.8	329,669.8	31,371.0	10.5%	301,258.8	301,258.8
Federal Subsidies									
Other Subsidies									
User Fees & Donations	22,419.6	22,351.9	19,037.5	24,885.8	19,169.6	132.1	0.7%	19,213.6	19,257.6
Transfers from Capital Fund		216.3	1,561.5	264.9	1,764.4	202.9	13.0%	1,764.4	1,764.4
Contribution from Reserve Funds	2,421.1	718.7	15,919.0		15,609.4	(309.6)	(1.9%)	15,089.2	(1,833.5)
Contribution from Reserve									
Sundry Revenues	232.4	39.1		648.7					
Total Revenues	307,733.7	307,259.6	345,016.8	330,145.4	375,688.2	30,671.4	8.9%	347,526.0	330,647.3
Total Net Expenditures	76,070.7	76,716.4	76,716.4	65,651.3	76,716.4	0.0	0.0%	82,966.1	104,740.5
Approved Positions	936.8	931.4	955.7	930.7	982.6	26.9	2.8%	988.0	980.0

Appendix 3

2015 Organization Chart



2015 Approved Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	143.5	2.0	582.5	729.0
Temporary		21.0		232.6	253.6
Total	1.0	164.5	2.0	815.1	982.6

Appendix 5

Summary of 2015 New / Enhanced Service Priorities

2015 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Citizen Focused Services A Program: Children's Services	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

4794 **Service System Management Requirements**

72 0 **Description:**

The 2015 Operating Budget for Children's Services includes new funding of \$1.070 million gross, \$0 net, with \$0.927 million for Child Care Delivery Service and \$0.142 million for Child Care System Management required for the Service System Management enhanced priority, which adds 8 new permanent positions that will assist in managing pressures created by the expanded child care system resulting from significant Provincial policy and legislative changes, including the implementation of the Wage Enhancement Program for front-line child care workers.

Service Level Impact:

The increased staff complement will enable the Program to make the system changes necessary to address the new legislative reporting requirements and to provide administrative support to deliver the new programming requirements.

Service: Child Care Delivery

Staff Recommended:	927.4	927.4	0.0	8.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	927.4	927.4	0.0	0.0	0.0	0.0

Service: Child Care System Management

Staff Recommended:	142.2	142.2	0.0	0.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	142.2	142.2	0.0	0.0	0.0	0.0

Staff Recommended:	1,069.6	1,069.6	0.0	0.0	0.0	0.0
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Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2015 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Citizen Focused Services A Program: Children's Services	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			1,069.6	1,069.6	0.0	0.0	0.0	0.0

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2015 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Citizen Focused Services A Program: Children's Services	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
6271		Additional 184 child care subsidies						
72	0	Description:						
The 2015 Provincial funding provided an increased subsidy of \$8.791 million, an increase in base subsidy of 3% from the 2014 funding levels. This funding allows the Program to continue to increase its investment in legislated and core service programming, and to allocate \$3.371 million to fund an increase of 184 subsidized child care spaces for infants and toddlers and pre-school age groups.								
Service Level Impact:								
Children's Services will deliver 25,116 child care subsidies in 2015, which are allocated across City wards, reflecting an increase of 184 spaces, an increase of 0.7% from 2014 service levels.								
Service: Child Care Delivery								
Staff Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
BC Recommended Change:			0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:			3,371.0	3,371.0	0.0	0.0	0.0	0.0
CC Recommended Change:			0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:			3,371.0	3,371.0	0.0	0.0	0.0	0.0
Staff Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:			3,371.0	3,371.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			3,371.0	3,371.0	0.0	0.0	0.0	0.0



2015 Operating Budget - Council Approved New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Citizen Focused Services A Program: Children's Services	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Staff Recommended:	1,069.6	1,069.6	0.0	0.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	3,371.0	3,371.0	0.0	0.0	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:	4,440.6	4,440.6	0.0	8.0	0.0	0.0

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Proposed Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		11,567.4	11,567.4	11,309.4	11,190.4
Child Care Capital Reserve Fund	XR1103				
<i>Proposed Withdrawals (-)</i>			(1,666.0)	(1,526.0)	(1,512.0)
<i>Contributions (+)</i>			1,408.0	1,407.0	1,406.0
Total Reserve / Reserve Fund Draws / Contributions		11,567.4	(258.0)	(119.0)	(106.0)
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		11,567.4	11,309.4	11,190.4	11,084.4

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Proposed Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		49,496.1	49,496.1	37,157.6	16,966.9
Child Care Expansion Reserve Fund					
<i>Proposed Withdrawals (-)</i>			(12,719.5)	(20,425.7)	(28,774.6)
<i>Contributions (+)</i>			381.0	235.0	18.5
Total Reserve / Reserve Fund Draws / Contributions		49,496.1	(12,338.5)	(20,190.7)	(28,756.1)
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		49,496.1	37,157.6	16,966.9	(11,789.2)

Appendix 7a

Approved User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Infants-Birth to 18 mths	Child Care Delivery	Full Cost Recovery	Day/Child	\$100.13	\$102.23	\$4.67	\$106.90	\$109.04	\$111.22
Toddlers - 18 to 30 mths	Child Care Delivery	Full Cost Recovery	Day/Child	\$89.13	\$91.00	\$4.16	\$95.16	\$97.06	\$99.00
Preschool 31 to 47 mths	Child Care Delivery	Full Cost Recovery	Day/Child	\$68.96	\$70.41	\$1.77	\$72.18	\$73.62	\$75.10
Full Day Kindergarten - Escorted - Before school only	Child Care Delivery	Full Cost Recovery	Day/Child	\$18.00	\$18.38		\$18.38	\$18.75	\$19.12
Full Day Kindergarten - Escorted - After school only	Child Care Delivery	Full Cost Recovery	Day/Child	\$27.00	\$27.57		\$27.57	\$28.12	\$28.68
School Age - 6 to 10 years - Before school only	Child Care Delivery	Full Cost Recovery	Day/Child; Part-Time Rate offered Where Space Available	\$14.00	\$14.29		\$14.29	\$14.58	\$14.87
School Age - 6 to 10 years - After school only	Child Care Delivery	Full Cost Recovery	Day/Child; Part-Time Rate offered Where Space Available	\$21.00	\$21.44		\$21.44	\$21.87	\$22.31
Full day kindergarten/City Operated third party - September to June (10 months)	Child Care Delivery	Full Cost Recovery	Day/Child	\$32.00	\$32.67		\$32.67	\$33.32	\$33.99
Full day kindergarten/City Operated third party - July to August (2 months)	Child Care Delivery	Full Cost Recovery	Day	\$50.00	\$51.05		\$51.05	\$52.07	\$53.11
Full day kindergarten/City Operated third party - Before school only	Child Care Delivery	Full Cost Recovery	Day	\$14.00	\$14.29		\$14.29	\$14.58	\$14.87
Full day kindergarten/City Operated third party - After school only	Child Care Delivery	Full Cost Recovery	Day	\$21.00	\$21.44		\$21.44	\$21.87	\$22.31
Full Day Kindergarten - Escorted - September to June (10 months)	Child Care Delivery	Full Cost Recovery	Day	\$35.00	\$35.74		\$35.74	\$36.45	\$37.18
Full Day Kindergarten - Escorted - July to August (2 months)	Child Care Delivery	Full Cost Recovery	Day	\$50.00	\$51.05		\$51.05	\$52.07	\$53.11
School Age (6 to 10 years) - September to June (10 months)	Child Care Delivery	Full Cost Recovery	Day	\$32.00	\$32.67		\$32.67	\$33.33	\$33.99
School Age (6 to 10 years) - July to August (2 months)	Child Care Delivery	Full Cost Recovery	Day	\$50.00	\$51.05		\$51.05	\$52.07	\$53.11

Appendix 7c

User Fees Discontinued

Rate Description	Service	Fee Category	Fee Basis	2014		
				Approved Rate	Year Introduced	Reason for Discontinuation
Full Day Kindergarten - Escorted - Year round (12 months)	Child Care Delivery	Full Cost Recovery	Day/Child	\$45.00	2011	Fee no longer required
School Age - 6 to 10 years - Year round (12 months)	Child Care Delivery	Full Cost Recovery	Day/Child	\$41.00	Pre-1998	Fee no longer required
Full day kindergarten/City Operated third party-Year round (12 months)	Child Care Delivery	Full Cost Recovery	Day/Child	\$41.00	2011	Fee no longer required
Part time Kindergarten (4-5 yrs)	Child Care Delivery	Full Cost Recovery	Day	\$68.96	Pre-1998	Fee no longer required