



GROWING TORONTO'S LICENSED CHILD CARE SYSTEM

**The Child Care and Early
Learning Forum**

Friday, November 24, 2017

Background

- City Council adopted the report titled "Growing Toronto's Licensed Child Care System" and requested the General Manager, Children's Services to develop growth strategy. (November 8-9, 2016)
- City Council adopted Toronto's Licensed Child Care Growth Strategy for children under four, a the 10-year Strategy (April 26, 2017)
- City Council adopted amendments to the Children's Services 2017 operating budget to reflect increases in provincial (\$34.5M) and federal (\$21.5M) contributions (On July 4, 2017)
- City Council adopted the Child Care Growth Strategy - Phase One Implementation (2017 - 2019) (November 17, 2017)
- E-mail about the \$16 million increase to base funding, through the General Operating Grant, and the requirement for an Implementation Plan was sent on Nov. 17, 2017
- The Budget deadline was extended (January 26, 2017) to accommodate for the requirement to have an Implementation Plan that reflects the goals of increased affordability and wage

TORONTO'S 10- YEAR VISION



2026

Support a thriving workforce

Good jobs that attract and retain child care professionals.

Build capacity to meet demand

Enough licensed, centre-based child care spaces for 50% of children under the age of 4, and the capacity required to operate those spaces.

Improve affordability for families

Public investments that keep parent fees affordable for families across all income groups, and fee subsidies for families in financial need.

IMPROVE AFFORDABILITY: 2026



Operating grants that reduce parent fees by 25% -40%



Enough fee subsidies for 40% - 50% of licensed spaces

IMPROVE AFFORDABILITY: *Phase One*

- Increase the base-funding to operating grants in order to reduce fees by 10% - with an initial focus on fees in the highest range
- Maintain* the current ratio of fee subsidies of 41% to licensed spaces
 - Number of new Infant, Toddler Preschool subsidies 2,189
 - Number of new Kindergarten and School-Age subsidies 427

SUPPORT A THRIVING WORKFORCE: 2026



Operating grants that help raise staff salaries (RECEs: Provincial Wage Enhancement threshold)



Workforce capacity and development to ensure there are enough RECE's for increased spaces.

SUPPORT A THRIVING WORKFORCE: *Phase One*

- Increase base-funding to operating grants in order to increase wages for Registered Early Childhood Educators (RECE) by 6% - with an initial focus on the centers where wages are low
- Work with the Toronto Child & Family Network and the province to support RECE workforce development

BUILD CAPACITY:2026



Create **30,000** infant, toddler and preschool spaces over 10 years, in order to serve 50% of that population

BUILD CAPACITY: *Phase One*

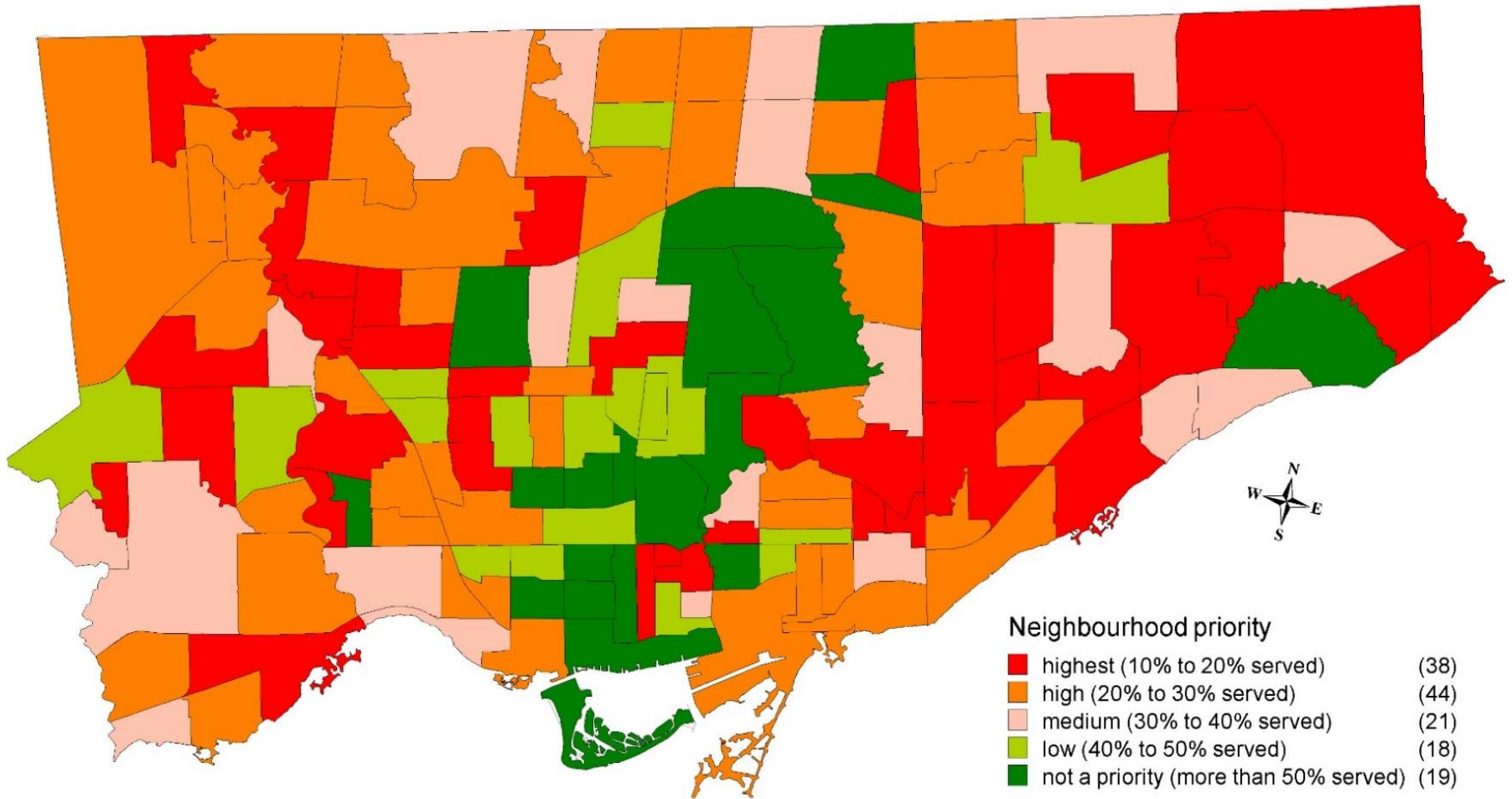
- Advance the 10-year Capital Plan
- Find partnership opportunities for new child care centers
- Implement a Capital Grant program

Phase One - Capital Growth of Child Care

(Infant Toddler, Preschool Spaces by 2019)

Source	Spaces
10-year capital plan Note: Assumes projects where funding ends in 2017 or 2018 will open by 2019. Does not include projects still being funded in 2019 or later	528
School board funded Capital Programs	787
Section 37 directly funded development projects not included in the City's 10 Year Capital Plan	290
Community capital projects and retrofit grants (estimate)	430
Subtotal: Expected New Spaces	2,035
Existing spaces	36,749
Total by 2019	38,784

Child Care Capital Neighbourhood Priorities Map



Map is based on Census 2016 child population (4 years and younger) and comparing it to the early years spaces in operation and new early years spaces that are part of our capital plan.

The goal is to have enough early years spaces to serve 50% of the population.

Ontario's Renewed Early Years and Child Care Policy Framework 2017

Seven Actions:

- 1) Increasing Access
- 2) Increased Affordability
- 3) Early Years Workforce Strategy
- 4) Defining Quality in the Early Years
- 5) Promoting Inclusion in the Early Years
- 6) Outcomes and Measurement Strategy
- 7) Increasing Public Awareness

2018 Budget & Implementation Plan

- \$16 Million increase to General Operating Funding
- Support increased affordability and wages

Ministry of Education

- The increased funding to General Operating Funding is ***not*** this new announcement
- New Announcement - October 27, 2017 letter
- “To support ***improving wages*** for the licensed child care workforce, ***affordability for families***, and to address potential fee increases, the ministry will be investing an additional ***\$12.7 million*** in early 2018, to support those staff currently earning under \$14 an hour. “ (emphasis added)
- Children's Services is waiting for guidelines on this new funding

2018 Budget & Implementation Plan

As the Service System Manager, Children's Services is the steward of public money and as such we must:

- Ensure that funding is achieving the goals
- Report on the funding and its achievements
- Document the decision making

How much is \$0.52 for my center?

- General Operating Funding (Formally known as General Operating Grant or GOG) will increase from \$0.37 to \$0.52 cents per point.
- Here is a ***Scenario:***

Age-Group	Spaces	Points	Current-Value	Current - Annual	NEW - Value	New-Annual	Increase
Infant	10	41	0.37	\$39,594	0.52	\$ 55,645	\$ 16,052
Toddler	15	24	0.37	\$ 34,765	0.52	\$ 48,859	\$14,094
Preschool	24	15	0.37	\$34,765	0.52	\$ 48,859	\$14,094
Total				\$ 109,124		\$ 153,364	\$ 44,240

How do I get started?

Matrix			
	Poor Wage	Mid Wage	Good Wage
Lowest Fee Range			
Middle Fee Range		YOU ARE HERE	
Highest Fee Range			

Talking about Fees / Affordability

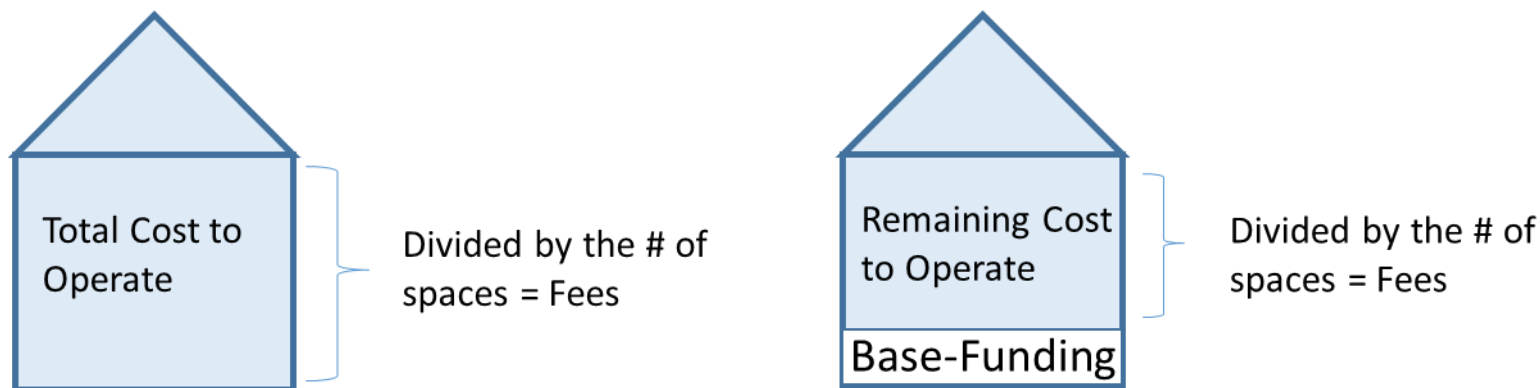
	Infant	Toddler	Preschool
Low range	\$67.91	\$52.00	\$39.77
Middle range	\$85.00	\$65.34	\$49.00
High range	\$106.90	\$95.16	\$70.40

Figure 6: Low, middle and high range of daily parent fees in Toronto by age group, 2016.



Talking about Fees / Affordability

- Affordability does not mean lowering operating costs
- Fee should be aligned to operating costs
- Increased base-funding means less revenue has to be collected through fees



Talking about Wages

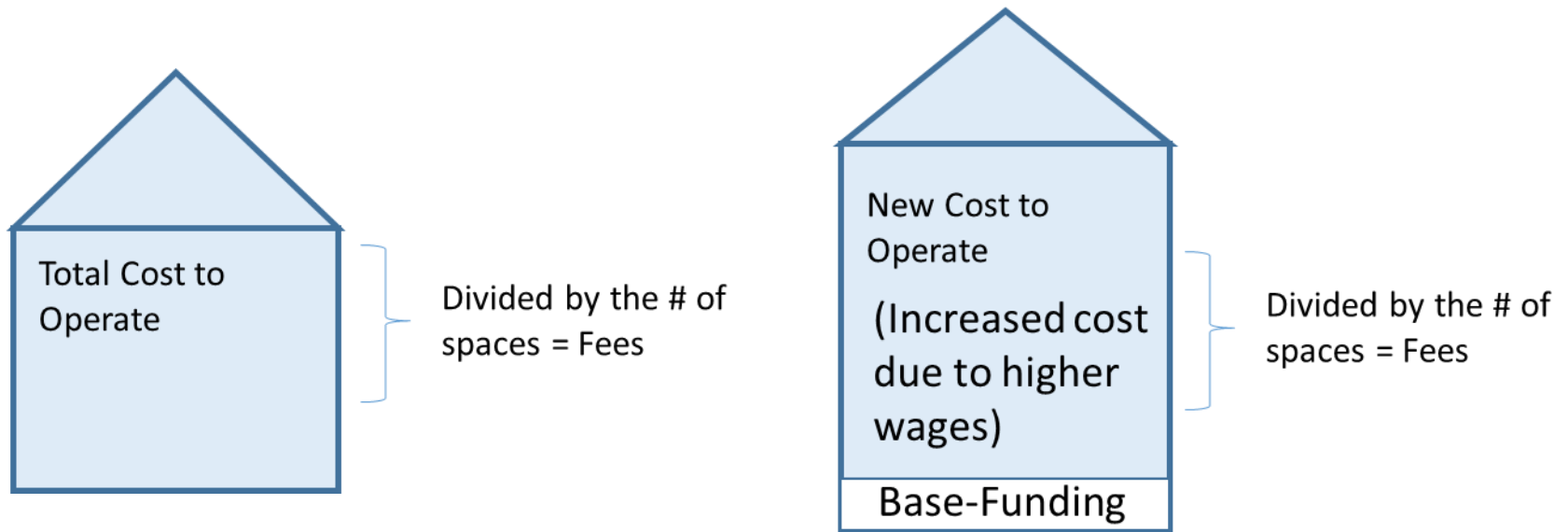
Lowest 25% of RECE	\$11 - \$20
Middle 50% of RECE	\$20 - \$25
Highest 25% of RECE	\$25 - \$45
Toronto Average	\$22.48
2016 Provincial Wage Enhancement threshold	\$26.27

Figure 9: 2016 hourly wages for Registered Early Childhood Educators in Toronto.

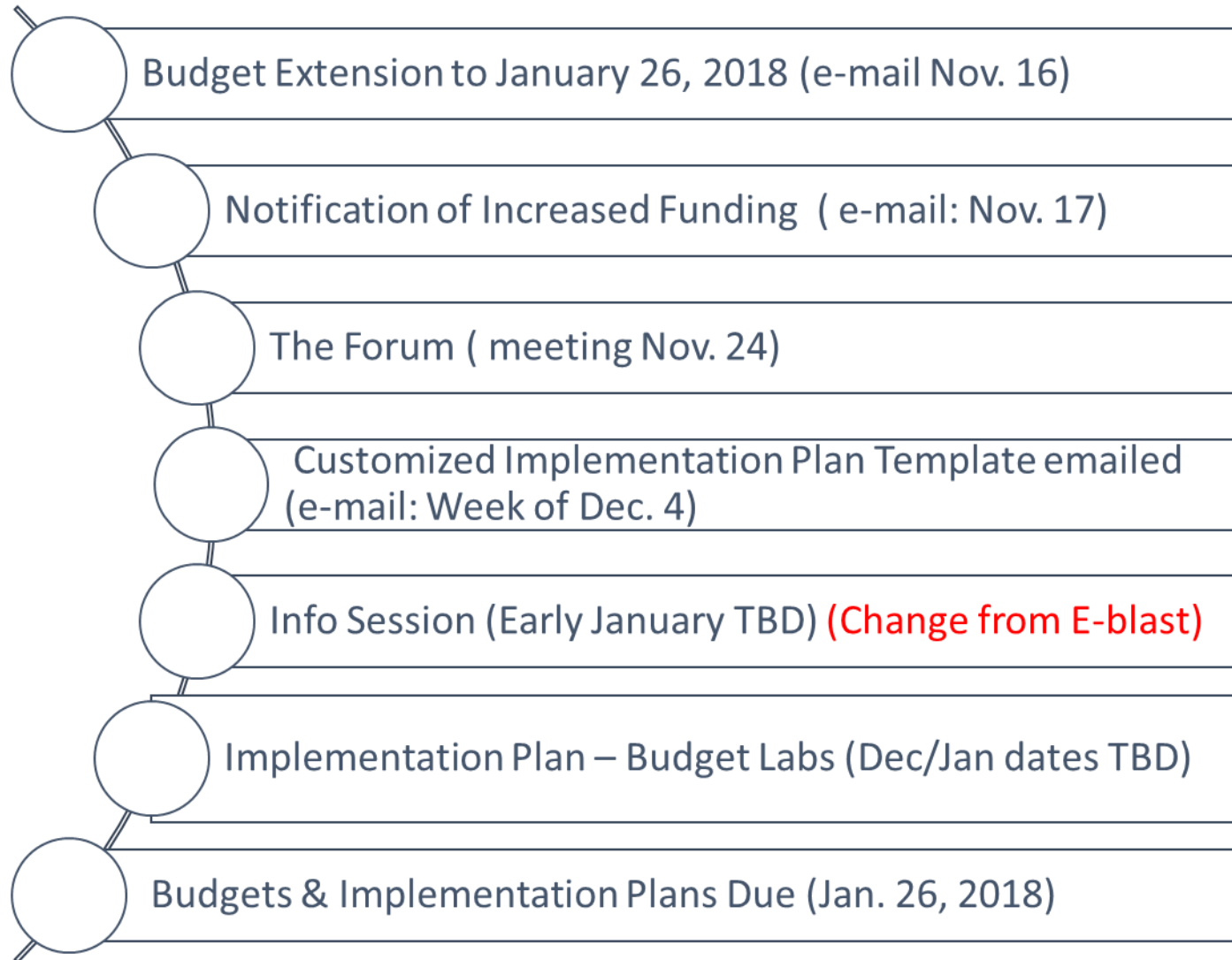


Talking about Wages

- Goal: Wages for program staff should not be in the low range
- Centers should maximize PWE for their staff



Timeline:

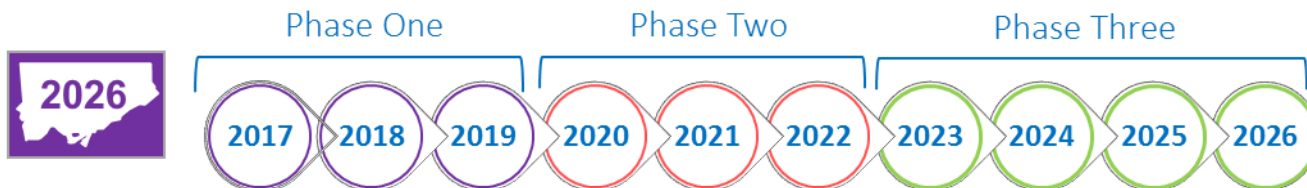


What Now:

- Kindergarten and School Age only centers – Complete and Submit your Budgets!

General Operating Funding eligible Centers:

- Consider how your center will use the increased base funding to off-set fees or increase wages
- Ensure your center’s fees align to the cost of the service being offered
- Notice families that fee increases may not be required
- Children’s Services will provide key messaging to help share this information with families
- Work on your budget with the new information on \$0.52 per point



Thank You!



2026

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