

TO:	CHAIR AND MEMBERS COMMUNITY and PROTECTIVE SERVICES COMMITTEE JULY 18, 2017
FROM:	LYNNE LIVINGSTONE MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN AND FIRE SERVICES
SUBJECT:	CHILD CARE INFORMATION UPDATE AND LONDON-MIDDLESEX CHILD CARE AND EARLY YEARS SERVICE PLAN

RECOMMENDATION

The London-Middlesex Child Care and Early Years Service Plan, attached as Appendix A, be **RECEIVED**.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Ontario Early Years Child and Family Centres Planning and Transfer Payment Agreement – January 24, 2017
- Family Centre Westminster – Increased Provincial Investment – November 15, 2016
- Northeast London Family Centre – Provincial Investment and New Agreement – November 15, 2016
- Northwest London Family Centre – Provincial Investment and New Agreement – November 15, 2016
- Child Care Information Update and 2015 Child Care Service Plan – April 21, 2015
- 2014 Child Care Service Plan – October 28, 2013
- Child Care Funding Formula Update – April 8, 2013
- Provincial Modernizing Child Care Policy Direction and Funding Announcements – September 10, 2012

BACKGROUND

The purpose of this report is to:

- provide information on changes in the child care and early years sector in Ontario;
- provide information on the child care and early years system in London and Middlesex in 2016; and,
- provide information on the London-Middlesex Child Care and Early Years Service Plan.

Information is summarized in this report; the full London-Middlesex Child Care and Early Years Service Plan (Appendix A) provides additional detail.

Changes in the Child Care and Early Years Sector in Ontario

The child care and early years sector has been undergoing transformation since 2013, including: the introduction of full day kindergarten; the development of a new early learning pedagogy; and the institution of new provincial legislation - the *Child Care and Early Years Act* (2014).

This transformation continued in 2016 and 2017 with multiple announcements from the Ministry of Education:

- February 2016: announcement on plans to integrate provincial family support programs into a single system known as Ontario Early Years Child and Family Centres (OEYCFCs) and the transfer of responsibility to Consolidated Municipal Services Managers (CMSMs) to manage locally;
- September 2016: provincial commitment of 100,000 new licensed child care spaces in Ontario;
- April 2017: additional 2017/2018 Expansion Strategy resources to support significant expansion of the licensed child care system in London and Middlesex;

- June 2017: the announcement of a renewed Early Years and Child Care policy framework; and
- June 2017: the announcement of additional provincial investment in child care and early years through a bi-lateral agreement with the federal government – the Canada-Ontario Early Learning and Child Care Agreement.

New licensed child care spaces and system expansion

To fulfil its objective of increasing the child care system in Ontario by 100,000 spaces, the Ministry of Education provided additional 2017-2018 funding to Consolidated Municipal Service Managers (CMSMs) to support system growth. The CMSM's expansion strategy focuses on: supporting new centre-based and home-based licensed child care spaces; encouraging existing centres to utilize fully their existing licensed capacity; and supporting additional fee subsidy associated with the increased number of spaces.

Ontario Early Years Child and Family Centres

The Ministry of Education is merging four separate family support programs into Ontario Early Years Child and Family Centres (OEYCFCs), which will be managed locally by CMSMs.

OEYCFCs are part of the Ministry of Education's vision for the early years, where "Ontario's children and families are well supported by a system of responsive, high-quality, accessible and increasingly integrated early years programs and services that contribute to healthy child development". OEYCFCs provide three "mandatory core services": engaging parents and caregivers, supporting early learning and development, and making connections for families. In addition, OEYCFCs may offer additional programs and services that align with the priorities of individual communities.

The new OEYCFC funding approach begins on January 1, 2018, at which time the CMSM will begin its responsibility for administering the funds for, and management of, OEYCFCs. By 2019, the CMSM will have full responsibility for a Council-approved system plan for child care and early years services in London and Middlesex. CMSM responsibilities include:

- conducting local needs assessments and facilitating meaningful engagement with key community partners, parents and caregivers to integrate OEYCFCs into local service system plans for early years programs and services;
- enhancing, relocating and/or reconfiguring OEYCFC programs and services to meet community needs, as required;
- managing provincial funds and any third party contracts associated with the delivery of OEYCFC programs and services; and,
- managing provincial funds related to early years community planning groups.

In preparation for OEYCFCs responsibilities, CMSMs are working with community partners to conduct needs assessments and initial plans for an integrated early years system. Staff from the City of London and Middlesex County have undertaken a number of steps to develop the needs assessment and initial plans. In summary, staff have:

- collected neighbourhood-level data on demographics, future population projections, and Early Development Instrument scores;
- mapped existing neighbourhood resources and assets, such as libraries and resource centres;
- collected data on the location, timing, and focus of existing early years services delivered by OEYCs, PFLCs, and other service providers;
- held multiple conversations with school boards, early years service providers, Francophone providers, Indigenous providers, and families on opportunities and viable approaches to OEYCFCs;
- consulted with existing planning tables, including London's Child and Youth Network and Middlesex Children's Services Network, on opportunities and viable approaches to OEYCFCs; and,
- built on existing integration planning processes in the community.

The CYN's longstanding Family-Centred Service System strategy to integrate services and build a network of Family Centres aligns well with OEYCFCs. In 2016, the Premier of Ontario first announced OEYCFCs at a London Family Centre, an indicator that London's proven approach is a model for the provincial strategy. CYN partners recognize OEYCFCs as an opportunity to amplify the reach and impact of the Family-Centred Service System.

The CMSM will complete its needs assessment and initial plans for submission to the Ministry of Education on September 29, 2017. To prepare for the transfer of OEYCFC funding and responsibility in January 2018, the CMSM will need to establish its service approach and any required contractual agreements for service delivery. In 2018, the CMSM will continue to develop and refine its integrated early years plan and seek Council approval of the plan for full implementation in 2019.

Renewed Early Years and Child Care Policy Framework

Ontario's renewed Early Years Child Care and Policy Framework (2017) outlines the strategic direction the Ministry of Education is taking to continue its transformation of the child care and early years system. The framework is divided into seven key directions:

1. Increasing access to early years and child care programs and services
2. Ensuring a more affordable early years and child care system
3. Establishing an early years workforce strategy
4. Determining a provincial definition of quality in the early years
5. Developing an approach to promoting inclusion in early years and child care settings
6. Creating an outcomes and measurement strategy
7. Increasing public awareness of Ontario's early years and child care system

The framework was released shortly before the completion of the 2017 service plan; as such, many of the specific details and impacts of these directions are yet to come from the Ministry. Staff will continue to update Council as the framework unfolds. The full text of the renewed Early Years and Child Care Policy Framework is available here:

http://www.edu.gov.on.ca/childcare/renewed_early_years_child_care_policy_framework_en.pdf

The Child Care and Early Years System in London and Middlesex in 2016

- Number of licensed centre-based and home-based child care spaces:
 - o London: 11,083
 - o Middlesex: 1,493
 - o Total: 12,576
- Average monthly number of children benefiting from Child Care Fee Subsidy:
 - o London: 2,810
 - o Middlesex: 185
 - o Total: 2,995
- Number of child care provider head offices:
 - o London: 45
 - o Middlesex: 15
 - o Total: 60
- Rate of occupancy for licensed spaces as of December 2016: 88.1%

More information can be found in Appendix A, London-Middlesex Child Care and Early Years Service Plan.

Child Care and Early Years Service Planning: 2017 and beyond

The key strategic objectives of the London-Middlesex Child Care and Early Years Service Plan are:

- *Build on 2016 allocation strategy* – the CMSM will continue with our current allocation strategies so operators can count on similar support as the previous year
- *Invest appropriately in fee subsidy* – there is continued upward pressure for fee subsidy as the population grows and more families seek to access licensed child care; within the confines of allocation requirements and resources available, the CMSM will work to invest appropriately in fee subsidy to support more families accessing licensed child care
- *Increase access to licensed child care* – the CMSM will utilize new 2017-2018 allocations to increase access to the licensed child care system by supporting the building of new child care spaces and associated fee subsidy
- *Plan for OEYCFC responsibilities* – Civic Administration will continue to prepare for the transfer of responsibility in 2018 by completing the needs assessment and initial plans, establishing any required contracts, and conducting organizational planning for managing responsibilities within the CMSM.

FINANCIAL IMPACT

The total CMSM budget for child care and the early years is projected to be \$49.8M, including the required minimum contribution of \$5.8M by the CMSM. The CMSM's required contribution remains unchanged from 2016 and the City's portion is included in the approved budget.

Within this budget, two new allocations are focused on system expansion:

- Expansion Strategy funding: \$3,655,708
- Canada-Ontario Early Learning and Child Care Agreement: \$2,283,924

These allocations can be utilized through 2017 and 2018; thus, it is not necessary that the CMSM expend the full CMSM budget in 2017.

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APPENDIX A

London-Middlesex Child Care and Early Years Service Plan

July 2017

Introduction

The London-Middlesex Care Service Plan provides an overview of the child care and early years system and the direction the Consolidated Municipal Service Manager (CMSM) is taking to manage it locally on behalf of the province.

The introduction of the Ontario Early Years Policy Framework in 2013 marked the beginning of a time of transformation for Ontario's child care and early years sector. In the past 5 years, we have seen the introduction of full day kindergarten, the development of a new early learning pedagogy, and the institution of new provincial legislation in the Child Care and Early Years Act (2014).

This transformation continued in 2016 and early 2017 – so much so that 2017 allocations were provided to CMSMs significantly later than usual, resulting in a delay in the production of this service plan. Ministry announcements in 2016 and 2017 include:

- February 2016: announcement on plans to integrate provincial family support programs into a single system known as Ontario Early Years Child and Family Centres (OEYCFCs) and the transfer of responsibility to Consolidated Municipal Services Managers (CMSMs) to manage locally;
- September 2016: the provincial commitment of 100,000 new licensed child care spaces in Ontario;
- April 2017: additional 2017/2018 resources to support significant expansion of the licensed child care system in London and Middlesex;
- June 2017: the announcement of a renewed Early Years and Child Care policy framework; and
- June 2017: the announcement of additional provincial investment in child care and early years through a bi-lateral agreement with the federal government – the Canada-Ontario Early Learning and Child Care Agreement.

Locally, the licensed child care and early years system in London and Middlesex grew modestly in 2016, with increases in the number of sites and child care spaces available. The Ministry of Education's commitment to continue wage enhancement for licensed operators provides valuable support that helps attract and retain qualified Early Childhood Educators in London and Middlesex. Additionally, in 2016, the CMSM partnered with local school boards to access significant capital investment for new child care centres and Family Centres.

We are excited and encouraged by the opportunities created by the ongoing transformation of the child care and early years sector. As a community, we have been on a trajectory toward increased capacity and integration in child care and early years for some time; this trajectory is accelerating through recent provincial announcements. The Child Care and Early Years Service Plan summarizes the strategic objectives and operational directions the CMSM will pursue in order to respond effectively to these changes in the coming years.

Context

Service Delivery Framework

The City of London is the designated Consolidated Municipal Service Manager (CMSM) for child care and early years in the City of London and the County of Middlesex. The City of London has an agreement with the County of Middlesex under which the County is responsible for the management of the child care and early years system in the County.

Operationally, the City and the County collaborate closely on the service delivery components of General Operating Grants, Capacity/Quality funding, Capital allocations, Repairs and Maintenance allocations and Special Needs Resources. The County directly manages the Child Care Fee Subsidy program for families living in the County.

Operational Structure

The City's mandated responsibilities for the delivery of child care services are managed by the Children's Services unit of the Neighbourhood, Children and Fire Services business area of the City of London. The respective mandates for Neighbourhood, Children and Fire Services are:

Neighbourhood, Children and Fire Services

Working together to strengthen Londoners quality of life ... Community wide... Neighbourhood by Neighbourhood.

Children's Services

Strengthening our community by helping children and families build a strong foundation now and for the future.

Funding

CMSMs are legislatively required to cost share with the Province for the delivery of child care and early years services. Approximately 88% of the total \$49.8 million budget in London and Middlesex is provided by the Ministry of Education. For 2017, the CMSM's required contribution is estimated at 12% of the total budget at \$5,791,048. Note that the expansion funding and Canada-Ontario Early Learning and Child Care Agreement funding allocations can be utilized in 2017 and 2018.

Current Size of the Licensed Child Care System

Number of licensed centre-based and home-based child care spaces in London and Middlesex: 12,576.

Further details on the number and distribution of child care spaces in London and Middlesex as of September 2016 are provided in Appendix A.

Child Care Fee Subsidy

The largest component of the CMSM's child care and early years expenditure is the Child Care Fee Subsidy program, which supports access to licensed child care for eligible families. In 2016, the number of children benefiting from Child Care Fee Subsidy in London averaged 2883 per month. The average Child Care Fee Subsidy case load in Middlesex County in 2016 was 158 children per month, resulting in a combined CMSM average monthly Fee Subsidy case load of approximately 3,041 children. Additional details are provided in Appendix A.

Ontario Early Years Child and Family Centres

On February 19, 2016, the Ministry of Education announced a plan for moving forward with the integration and transformation of child and family programs toward an increasingly integrated, cohesive system of services and supports for children ages 0-6 and their families known as Ontario Early Years Child and Family Centres (OEYCFCs).

Current Context

The Ministry of Education supports a number of child and family programs in Ontario, including:

- Better Beginnings, Better Futures;
- Child Care Resource Centres;
- Ontario Early Years Centres (OEYCs); and
- Parenting and Family Literacy Centres (PFLCs).

These four programs are being amalgamated into OEYCFCs, which will be managed by municipalities.

In London and Middlesex, there are currently three OEYCs and four PFLCs. OEYCs are operated by local service providers through service agreements with the provincial government. PFLCs are operated in schools, by school boards, through service agreements with the provincial government; three PFLCs are operated by the Thames Valley District School Board and one PFLC is operated by Conseil scolaire Viamonde. Middlesex County is currently supported by three OEYCs in Perth, Lambton, and Elgin Counties.

The new OEYCFC funding approach begins on January 1 2018, at which time the CMSM will begin its responsibility for administering the funds and management of OEYCFCs. By 2019, the CMSM will have full responsibility for a Council-approved system plan for child care and early years services in London and Middlesex.

What are OEYCFCs?

OEYCFCs are part of the Ministry of Education’s vision for the early years, where “Ontario’s children and families are well supported by a system of responsive, high-quality, accessible and increasingly integrated early years programs and services that contribute to healthy child development”.

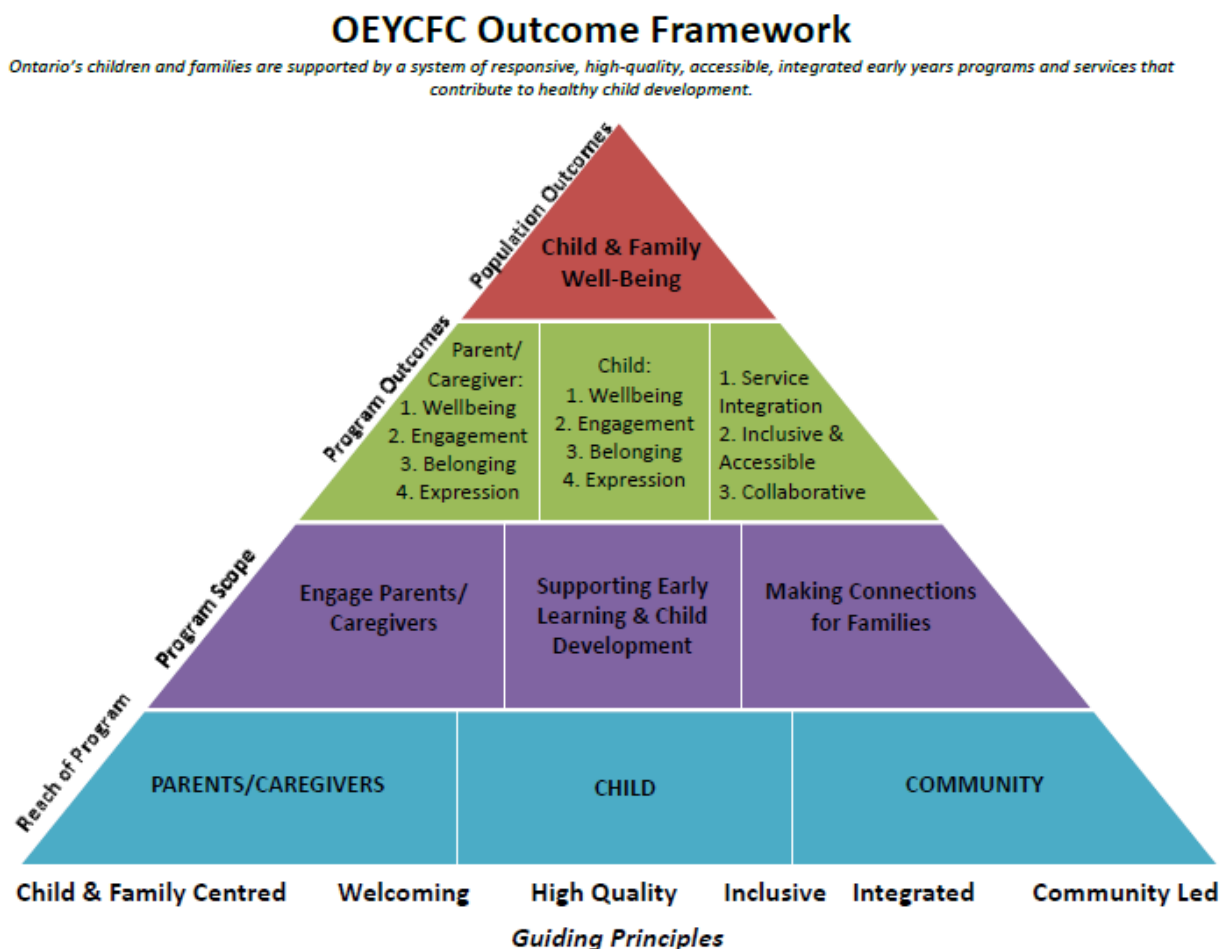
OEYCFCs provide families access to essential early years services and supports. Every OEYCFC will provide three “mandatory core services”:

1. Engaging parents and caregivers – information sharing on child development, pre- and postnatal support programs, and targeted outreach to caregivers not currently accessing services
2. Supporting early learning and development – drop-in programs and services that build responsive adult-child relationships, supported by *How Does Learning Happen? Ontario’s Pedagogy for the Early Years*
3. Making connections for families – working with families to identify concerns and opportunities related to child development and facilitating connections to services, both within and beyond OEYCFCs

In addition to these core services, OEYCFCs may offer additional programs and services that align with the priorities of individual communities and connect to the broader context of local community services, such as child care, public health, employment and training programs, recreation programs, public libraries, and specialized services. OEYCFC services will be delivered in physical locations, but may also include mobile and digital service delivery methods.

CMSMs can choose to offer OEYCFC programs and services directly or through purchase of service agreements with publicly-funded school boards and not-for-profit local service providers.

Planning guidelines released by the Ministry of Education in 2016 emphasize the need to provide services that reflect French language and Indigenous considerations. The following graphic from the guidelines summarizes the vision, outcomes, and guiding principles for planning and implementation of OEYCFCs:



The planning guidelines are available online here:

<https://efis.fma.csc.gov.on.ca/faab/Memos/CC2016/OEYCFC%20Planning%20Guidelines,%20July%202016.pdf>.

Responsibilities of the CMSM

CMSMs are responsible for managing local child care and early years programs and services, including OEYCFCs. While the Ministry has yet to release the final OEYCFC framework, Ministry documents articulate a number of new responsibilities for the CMSM, including requirements to:

- conduct local needs assessments and facilitate meaningful engagement with key community partners, parents and caregivers to integrate OEYCFCs into local service system plans for early years programs and services;
- enhance, relocate and/or reconfigure OEYCFC programs and services to meet community needs, as required;
- manage provincial funds and any third party contracts associated with the delivery of OEYCFC programs and services; and
- manage provincial funds related to early years community planning groups.

Planning efforts in London and Middlesex

In preparation for OEYCFCs responsibilities, CMSMs are working with community partners to conduct needs assessments and initial plans for an integrated early years system. Because OEYCFCs will be a new initiative in the community and a new responsibility for the CMSM, the initial plans are intended to outline early directions on how OEYCFCs will be implemented; by 2019, the Ministry has mandated that CMSMs have a full, Council-approved integrated early years plan in place.

The purpose of the planning process is to identify evolving community needs, service gaps, and service duplication related to the early years and to work with other stakeholders, including families and community partners, to determine the right approach for a responsive, integrated early years service system. In January 2017, the Ministry of Education transferred funding for Data Analysis Services to CMSMs with the intention of supporting initial planning efforts for OEYCFCs and enabling broader collection and mobilization of data to inform ongoing early years community planning processes. Additionally, in 2017 the Ministry provided one-time funding to CMSMs to support planning efforts.

Staff from the City of London and Middlesex County have undertaken a number of steps to develop the needs assessment. In summary, staff have:

- accessed neighbourhood-level data on demographics, future population projections, and Early Development Instrument scores;
- mapped existing neighbourhood resources and assets, such as libraries and resources centres;
- collected data on the location, timing, and focus of existing early years services delivered by OEYCs, PFLCs, and other service providers; and
- held conversations with school boards, early years service providers, Francophone providers, Indigenous providers, and families on what needs and opportunities they see.

To support the development of the initial plans for OEYCFCs, staff have:

- held multiple conversations with school boards, early years service providers, Francophone providers, Indigenous providers, and families on opportunities and viable approaches to OEYCFCs;
- consulted with existing planning tables, including London's Child and Youth Network and Middlesex Children's Services Network, on opportunities and viable approaches to OEYCFCs; and
- built on existing integration planning processes in the community.

A number of provincial integrated planning efforts are currently underway, including the provincial Special Needs and Community Hubs strategies; the initial plans for OEYCFCs are being developed with consideration for these parallel strategies. In London, the CYN's longstanding Family-Centred Service System strategy to integrate services and build a network of Family Centres aligns incredibly well with OEYCFCs. In 2016, the Premier of Ontario first announced OEYCFCs at a London Family Centre, an indicator that London's proven approach is a model for the provincial strategy. CYN partners recognize OEYCFCs as an opportunity to amplify the reach and impact of the Family-Centred Service System.

Next steps

The CMSM will complete its needs assessment and initial plans for submission to the Ministry of Education on September 29, 2017. To prepare for the transfer of OEYCFC funding and responsibility in

January 2018, the CMSM will need to establish its service approach and any required contractual agreements for service delivery. In 2018, the CMSM will continue to develop and refine its integrated early years plan and seek Council approval for full implementation in 2019.

Renewed Early Years and Child Care Policy Framework

Ontario's renewed Early Years and Child Care and Policy Framework (2017) outlines the strategic direction the Ministry of Education is taking to continue its transformation of the child care and early years system. The framework is divided into seven key directions:

1. Increasing access to early years and child care programs and services
2. Ensuring a more affordable early years and child care system
3. Establishing an early years workforce strategy
4. Determining a provincial definition of quality in the early years
5. Developing an approach to promoting inclusion in early years and child care settings
6. Creating an outcomes and measurement strategy
7. Increasing public awareness of Ontario's early years and child care system

The framework was released shortly before the completion of this service plan; as such, many of the specific details and impacts of these directions are yet to come from the Ministry. Staff will continue to update Council as the framework unfolds. The full text of the renewed Early Years and Child Care Policy Framework is available here:

http://www.edu.gov.on.ca/childcare/renewed_early_years_child_care_policy_framework_en.pdf

2017 Child Care Service Plan Strategic Objectives

The key strategic objectives of the London-Middlesex Child Care and Early Years Service Plan are:

Build on 2016 allocation strategy

Provincially and locally, the child care and early years system is undergoing continued transformation in 2017. In a time of rapid and significant change, the CMSM will seek to provide stability for operators and families where possible and appropriate. This means continuing with our current allocation strategies so operators can count on similar support as the previous year.

Invest appropriately in fee subsidy

Fee subsidy provides families with access to high quality centre-based and home-based licensed child care and early learning opportunities. It also provides parents and caregivers with opportunities to pursue employment or education. Investments in fee subsidy therefore generate multiple positive community impacts.

There is continued upward pressure for fee subsidy as the population grows and more families seek to access licensed child care; a historic account of fee subsidy caseload is available in Appendix A. The Ministry of Education's funding guidelines identify requirements for how resources are to be allocated, with a degree of local discretion. Within the confines of allocation requirements and resources available, the CMSM will work to invest appropriately in fee subsidy to support more families accessing licensed child care.

Increase access to licensed child care

When the Ministry of Education released its 2017 funding allocations, it included new allocations that focused on expanding access to the licensed child care system. Distinct from core funding, these allocation are to be used over 2017 *and* 2018. The CMSM has been working with local and provincial partners to establish strategies that respond to opportunities and anticipate strong growth in the number of London and Middlesex child care spaces in 2017 and 2018.

Plan for OEYCFC responsibilities

As noted above, the CMSM is well-positioned to manage the implementation of OEYCFCs. Staff will continue to monitor the release of information from the Ministry of Education and prepare for the transfer of responsibility in 2018. This preparation includes the completion of the needs assessment and initial plans, the establishment of any required contracts, and internal organizational planning for managing responsibilities within the CMSM.

2017 Funding allocations

The Ministry of Education released 2017 funding allocation information on April 29, 2017. The development of this plan followed the release of the allocation information.

Funding for child care comes from the Ministry of Education. In order to access this funding, the CMSM is required to contribute specific amounts. The required CMSM contribution has been held constant since 2013, while the level of provincial funding has increased substantially.

The following table summarizes the amount and source of child care funding for 2017:

Ministry of Education	
Child Care Funding	\$31,124,898
Family Support Funding	\$239,435
Wage Enhancement Funding	\$6,647,499
Expansion Strategy Funding (2017-2018)*	\$3,655,708
Canada-Ontario Early Learning and Child Care Agreement (2017-2018)*	\$2,283,924
Sub-Total	\$43,951,464
London-Middlesex CMSM Required Contribution	
Child Care Funding	\$5,776,279
Family Support Funding	\$14,769
Sub-Total	\$5,791,048
Total Funding	\$49,752,512

*These funds can be utilized in 2017 and 2018.

A breakdown of planned 2017 Child Care expenditures is provided in the table below:

Planned 2017 Child Care Expenditures (estimated)

General Operating Grant	\$10,135,829
Pay Equity MOU	\$500,534
Special Needs Resourcing	\$2,056,007
Capacity / Professional Learning	\$207,997
Fee Subsidy	\$20,689,901
Administration	\$3,310,909
Wage Enhancement Grant	\$6,370,424
Wage Enhancement Grant Admin	\$277,075
Family Support Programming	\$254,204
Expansion (2017 - 2018)*	\$3,655,708
Canada-Ontario Early Learning and Child Care Agreement (2017-2018)*	\$2,283,924
Total Expenditures	\$49,752,512

*These funds can be utilized in 2017 and 2018.

Core Service Delivery Components

General Operating Grants

General Operating Grants are provided to licensed child care operators to assist with the operating costs associated with the provision of child care services. General Operating Grant levels for operators will be maintained in 2017.

Pay Equity Memorandum of Understanding

In line with previous service plans, Pay Equity Funding will be kept at 2013 levels, unless directed otherwise by the Ministry of Education.

Special Needs Resourcing

For 2015 and on, Special Needs Resourcing funding will be increased/decreased by the same percentage rate as any increases/decreases in non-enveloped Ministry of Education funding.

Fee Subsidy

Fee Subsidy expenditures account for the largest portion of the Children's Services budget and are driven by two components:

- The average monthly number of children supported (i.e. Case Load);
- The cost to support each child (i.e. Market Rate Per Diem).

Case Load – Based on the core funding allocations, the Target Average Monthly Case Load for 2017 (combined Child Care and Ontario Works) that can be sustained in London-Middlesex with core funding is estimated at approximately 2,900 children. The expansion funding allocation (details below) provides an opportunity to increase this number; the CMSM is awaiting more information on year-over-year investment beyond core funding.

Wait List – The CMSM works continually to minimize the number of families on the fee subsidy wait list, responding dynamically to shifts in application numbers over the course of the year. In London, eligible families do not stay on the wait list for long when space is available; families may stay on the wait list if they elect to “pass”, if there is lack of space available, or if their circumstances have changed in the short term (e.g. a family member is able to provide temporary care). Historic case load and wait list figures are available in Appendix A.

Rates – In 2014, the CMSM moved to paying the Full Market Rate Per Diem for all age groups and models of care. The CMSM will continue to pay Full Market Rate Per Diem in 2017.

Wage Enhancement Funding

For the third straight year, the Ministry of Education provided Wage Enhancement Grant funding for the licensed child care sector. The CMSM's 2017 Wage Enhancement Grant approach remains similar to previous years; licensed child care providers apply for funding and the CMSM determines eligibility according to provincial criteria. Though the provincial allocation was not confirmed until April 29, 2017, the CMSM has continued to issue monthly wage enhancement funding to maintain stability and continuity for operators.

Special Purpose Funds

Capacity Funding

Capacity Funding is provided by the Ministry of Education for the purpose of assessing and improving quality in the licensed child care sector, and to support professional development and development of overall system capacity.

In January 2015, the child care community endorsed the Professional Learning Framework proposed by the Quality Child Care Coordinating Committee. In 2017, the CMSM will direct the Capacity Funding allocation to support the implementation of the Professional Learning Framework.

Administrative Expense

The CMSM is entitled to claim up to 10% of the total Ministry of Education allocation as Administrative Expense, with any Administrative Expense incurred above that amount being charged as a 100% Municipal contribution.

In 2017, the CMSM will continue its review of Administrative expense, with the objective that any savings that can be realized will be re-invested into the Fee Subsidy program to address our wait list.

Expansion Plan

Expansion Plan funding can support new full and/or partial fee subsidies and increased access for children aged 0-4 year olds to licensed child care (centre-based and home child care) beyond the base allocation provided for child care outlined in service agreements. If the priorities of fee subsidies and access cannot be met due to local considerations, expansion funding may be used to reduce fees and broadly increase affordability. The CMSM's expansion strategy focuses on: supporting new child care centres; encouraging existing centres to utilize fully their existing licensed capacity; and supporting additional fee subsidy associated with the increased number of spaces.

Canada-Ontario Early Learning and Child Care Agreement

Announced June 2017, the Early Learning and Child Care Agreement (ELCC) supports a shared commitment by the Ontario and Federal governments to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility and inclusivity. The ELCC aligns with Ontario's Child Care expansion plan. ELCC funding for children must be spent on the following priorities:

1. Additional fee subsidies;
2. Increased access to licensed child care; and/or
3. For children aged 0-6, this funding can also be used to create and support new not for profit community-based capital projects, excluding capital projects for child care programs that run during school hours for kindergarten and school-age children.

Appendix A – Child Care and Early Years Data in London-Middlesex

Child Care and Early Childhood Development Reserve Fund

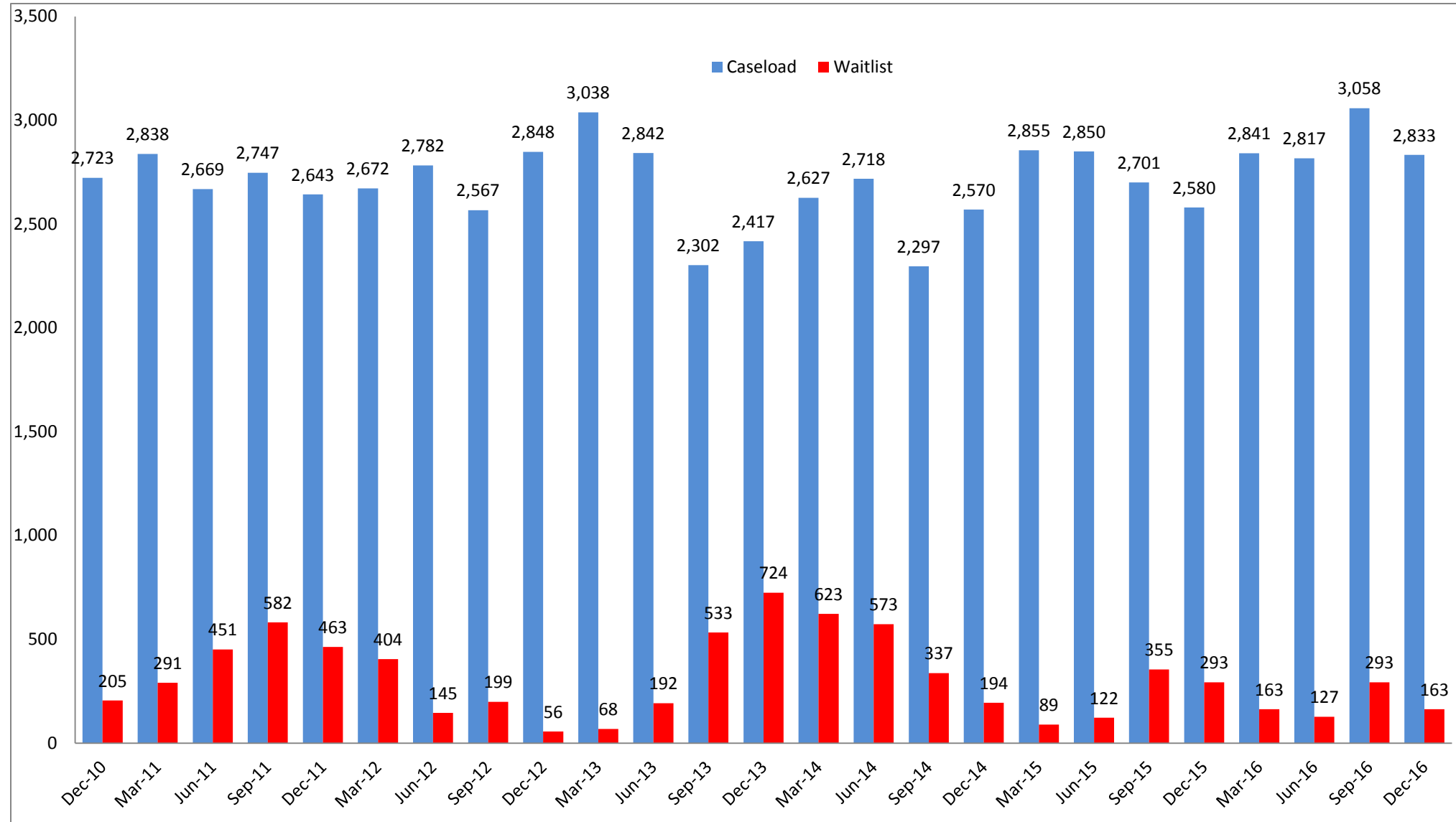
In 2013, as a result of the new Child Care Funding Formula, the annual funding allocation to the London–Middlesex CMSM was reduced by approximately \$1.7 million from the 2012 level. To offset the impact of that reduction, the Province provided one-time mitigation funding to the CMSM of \$6.5 million. The CMSM used these funds to establish the Child Care and Early Childhood Development Reserve Fund.

In March 2016, Council approved the use of \$2,931,500 from the reserve fund to support the capital construction of three new Family Centres in Westmount, Fanshawe, and Fox Hollow neighbourhoods. Subsequently, through a joint submission between the City of London and the Thames Valley and London District Catholic School Boards, the Ministry of Education invested additional resources to support capital construction for the Family Centres; this additional investment reduced the City of London’s investment to \$581,557.

Year-end reserve fund balances

Year	Drawdown	Year-end Balance
2016	\$0	\$5.802M
2015	\$939K	\$5.697M
2014	\$54K	\$6.522M
2013	\$200K	\$6.454M

Child Care Fee Subsidy Case Load and Wait List - City of London Only



Child Care Operators, Openings and Closures - London-Middlesex

The total number of Child Care Operators has remained relatively stable over the past six years. Where Operators have closed, they have been replaced by new Operators, often located in different areas of the CMSM.

Number of Child Care Provider Head Offices in London & Middlesex County	
September 2011	64
September 2012	62
September 2013	59
September 2014	60
September 2015	57
September 2016	60

From September 2011 to August 2016, the number of licensed child care sites in London-Middlesex experienced a modest increase, netting 3 new sites over that period.

	City of London & Middlesex County Child Care Licensed Site Closure	City of London & Middlesex County Child Care NEW Licensed Sites
Sept 2011 to Aug 2012	3	3
Sept 2012 to Aug 2013	6	0
Sept 2013 to Aug 2014	4	5
Sept 2014 to Aug 2015	6	5
Sept 2015 to Aug 2016	4	13
Total change: Sept 2011 to Aug 2016	23	26

Child Care Licensed Spaces - London-Middlesex

Centre-based programs

The total number of licensed spaces in London-Middlesex grew modestly between January and September 2016, increasing by 4.6%. The number of JK/SK and school age spaces continues to grow, reflecting the provincial transition to Full Day Kindergarten and the parallel increase in the need for before and after school care.

City of London & Middlesex County						
# of Licensed Spaces of Fee Subsidy Child Care Providers						
	Infant	Toddler	Preschool	JK/SK	School Age	Total
1-Sep-2011	526	1,098	3,460	856	3,225	9,165
1-Sep-2012	520	1,130	3,482	1,070	3,496	9,698
1-Sep-2013	532	1,153	3,365	1,598	3,782	10,430
1-Sep-2014	541	1,283	3,166	2,023	3,994	11,007
1-Jan-2016*	565	1,402	3,228	2,504	4,324	12,023
1-Sep-2016	535	1,322	3,055	3,095	4,569	12,576

* Jan 2016 was used as Sep 2015 information was not available

City of London & Middlesex County						
CHANGE in # of Licensed Spaces of Fee Subsidy Child Care Providers						
	Infant	Toddler	Preschool	JK/SK - Kindergarten	School Age - Primary/Junior	Total
Sept 2011 to Sept 2012	(6)	32	22	214	271	533
Sept 2012 to Sept 2013	12	23	(117)	528	286	732
Sept 2013 to Sept 2014	9	130	(199)	425	212	577
Sept 2014 to Jan 2016	24	119	62	481	330	1,016
Jan 2016 to Sept 2016	(30)	(80)	(173)	591	245	553
Total Change Sept 2011 to Sept 2016	9	224	(405)	2,239	1,344	3,411

Licensed Private Home Child Care

Historical data on the number of licensed private home child care spaces is not as accessible as it is for centre-based programs. However, available data indicates a significant decrease in the number of available spaces between 2013 and 2016. The anecdotal evidence is that this is related to the implementation of Full Day Kindergarten.

City of London & Middlesex County Licensed Home Care Sites		
	# of Licensed Homes	Maximum Placements = 5 per home
September 2013 Totals	92	460
September 2014 Totals	84	420
September 2015 Totals	80	400
September 2016 Totals	71	355

Child Care Reported Occupancy Rates - City of London Only

Occupancy Rates for infant spaces have increased over the past few years, while rates for school age spaces have fallen.

Licensed Space Occupancy as Reported - City of London Child Care Subsidy Sites					
	Infant	Toddler	PRE/JK/SK	School Age	Totals
March 2012	92.1%	94.6%	94.7%	86.4%	91.5%
June 2012	84.6%	85.8%	93.9%	87.7%	90.1%
September 2012	88.1%	84.8%	84.6%	81.9%	83.9%
December 2012	87.3%	89.3%	89.1%	82.0%	86.5%
March 2013	88.6%	92.0%	92.5%	81.6%	88.4%
June 2013	80.8%	82.8%	89.5%	82.3%	85.6%
September 2013	84.8%	81.2%	86.7%	81.6%	84.1%
December 2013	82.0%	82.6%	87.9%	79.4%	83.9%
March 2014	87.4%	85.5%	89.8%	80.5%	85.8%
June 2014	85.6%	82.6%	90.1%	83.1%	86.3%
September 2014	88.1%	79.1%	81.4%	87.2%	83.6%
December 2014	94.7%	89.5%	92.9%	87.5%	90.6%
March 2015	93.5%	89.9%	88.7%	84.8%	87.7%
March 2016	93.3%	88.5%	88.8%	82.4%	86.7%
June 2016	93.5%	87.5%	85.6%	84.6%	85.9%
September 2016	96.9%	89.9%	89.5%	76.7%	87.4%
December 2016	97.2%	93.5%	90.3%	69.2%	88.1%

*June, Sep & Dec 2015 information is not available