то:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MAY 29, 2018
FROM:	LYNNE LIVINGSTONE MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN AND FIRE SERVICES
SUBJECT:	LICENSED CHILD CARE AFFORDABILITY PILOT

#### RECOMMENDATION

That, on the recommendation of the Managing Director of Neighbourhood, Children and Fire Services, the report outlining the Licensed Child Care Affordability Pilot for London and Middlesex County **BE RECEIVED** for information.

#### PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Ontario Early Years Child and Family Centres, Ontario Transfer Payment Agreement, and City Ontario Early Years Child and Family Centres Funding Agreement Template (November 7, 2017)
- Child Care Information Update and London-Middlesex Child Care and Early Years Service Plan (July, 18, 2017)
- Ontario Early Years Child and Family Centres Planning and Transfer Payment Agreement (January 24, 2017)

## **BACKGROUND**

Ontario's child care and early years sector has been undergoing a transformation towards a more responsive and affordable system since 2013. On June 6, 2017, the Province released Ontario's Renewed Early Years and Child Care Policy Framework. This framework builds on previous progress, with the following vision for early years and child care in Ontario:

"All children and families have access to a range of high-quality, inclusive and affordable early years and child care programs and services that are child- and family-centred and contribute to children's learning, development and well-being"

Ontario's Renewed Early Years and Child Care Policy Framework includes initiatives to give more children access to early years and child care programs across the system, including a commitment to help 100,000 more children aged 0-4 access licensed care. The framework is divided into seven key areas of action:

- 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 early years;
- 5) developing an approach to promoting inclusion in early years and child care settings;
- 6) creating an outcomes and measurement strategy; and
- 7) increasing public awareness of Ontario's early years and child care system.

One of the strategies included in the first key area of action, *increasing access to early years and child care programs and services*, is the Child Care Expansion Plan (herein referred to as "Expansion Plan"). The Expansion Plan will help the Ministry of Education meet its objective of creating access to affordable licensed child care for 100,000 more children aged 0-4 year old over five years, beginning in 2017.

The purpose of this report is to outline the City's response to meet the expectations of the Expansion Plan: **The Licensed Child Care Affordability Pilot** (herein referred to as "Affordability Pilot") that will be implemented in 2018. The goal of this pilot program is to improve affordability, quality, and access to the licensed child care system in London and Middlesex County.

#### Provincial Child Care Expansion Funding

To support the Expansion Plan, the Ministry of Education has provided Service System Managers with new one-time expansion funding allocations in 2017 and 2018. The total funding allocation for London and Middlesex County for 2017 and 2018 is approximately \$11.2 million. Expansion funding can support new and/or additional fee subsidies and increased affordability and access for children aged 0-4 to licensed child care (centre-based and home child care) beyond the annual base allocation provided for child care as outlined in service agreement with the Province.

The expansion funding allocation must be expensed by December 31, 2018. Any unused funding will be recovered by the Ministry of Education.

### Stakeholder Consultation to Inform The Affordability Pilot

The Affordability Pilot was developed in consultation with a number of child care sector groups in London and Middlesex County and has been endorsed by the Child Care Working Group, a cross-section of stakeholders representing rural, urban, for-profit, not-for-profit, single-site and multi-site operators. Service providers are optimistic about the Pilot and have expressed excitement about this one-time investment in the child care system. Consultation and collaboration with the child care community will continue as the Affordability Pilot is implemented.

The Pilot fulfils the criteria of increased access and affordability and is supported by the Ministry of Education.

#### The Licensed Child Care Affordability Pilot

As outlined in the 2017 London-Middlesex Child Care and Early Years' Service Plan, The City of London in its role as Service System Manager, has focused its expansion strategy on: supporting new child care centres; encouraging existing centres to utilize their existing licensed capacity; and supporting additional fee subsidy associated with the increased number of spaces.

The expansion funding available in 2018 has made it possible to enhance the London-Middlesex County expansion strategy through the implementation of a Licenced Child Care Affordability Pilot.

The Affordability Pilot fulfils the expectations of the Provincial Expansion Plan by improving affordability, quality, and access to the licensed child care system in the geographic area of the City of London and County of Middlesex. The Affordability Pilot is a one-time investment that includes a number of initiatives to support both families and child care service providers. Key initiatives include:

- a. affordability for families;
- b. enhanced quality of service provision;
- c. capacity building and special project funding;
- d. special needs resourcing;
- e. relocation and/or amalgamation of child care centres; and,
- f. ongoing support of local expansion projects.

### a) Affordability for Families

This initiative involves a one-time grant to licensed child care service providers to make licensed child care more affordable and accessible for families. The grant will result in immediate savings for families of approximately \$150 per month, per child ages 0-4, between June and December 2018. The one-time grant ensures all families accessing licensed child care in London and Middlesex County are provided with some support for child care fees in 2018. The grant will increase access to licensed child care by providing opportunities for both families who may only be accessing the system on a part time basis as well as new families wishing to enter the system.

It is anticipated that the administration of the initiative will have minimal impact on families. Families will receive immediate savings through their licenced child care provider starting in June 2018 for a period of seven months, with no additional paper work required.

# b) Enhanced Quality of Service Provision

A one-time operating grant will be provided to licensed child care service providers. The one-time grant will be based on the number of licensed child care spaces and be available to all licensed child care service providers including centre-based and home child care. The one-time grant can be used for a number of ongoing costs such as: staff wages and benefits, lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies and maintenance. The funding will help to improve quality and access by providing agencies with the flexibility to address a number of operating issues such as repairs and maintenance or to invest in new play based materials

and equipment. Savings realized through the grant could be leveraged to expand operations and develop affordability strategies.

## c) Capacity Building and Special Project Funding

Capacity building and special project funding will also be available to licensed child care service providers to improve quality and access for families. The funding will support professional learning and development opportunities that build the capacity of licensees, supervisors, program staff/caregivers, home child care providers and non-profit volunteer board members to support the provision of high quality programs for children. Targeted initiatives include improved communications and reporting through technology; training; as well as special projects to support innovative ideas to increase access. This funding will continue to strengthen the child care sector by building capacity throughout the system.

## d) Special Needs Resourcing

There is an increasing need to support the inclusion of children with special needs in licensed child care settings, including home child care, camps, and authorized recreation programs at no additional cost to parents/guardians. This funding will be provided to improve quality and access by hiring the services of resource/support staff; purchase or lease of specialized/adaptive equipment and supplies; and professional development opportunities to support staff.

### e) Relocation and/or Amalgamation of Child Care Centres

Transformation funding to support costs for relocating and/or amalgamation of licensed child care operations will be made available to interested child care service providers who have identified a need/desire to move operations and/or amalgamate operations within the city of London and/or Middlesex County.

## f) Ongoing Support of Local Expansion Projects

In 2017/2018, four new 88 space child care centres opened in London and Middlesex County. A portion of the expansion funding for 2018 will be used in sustaining this growth.

## Potential Outcomes of The Affordability Pilot

There are a number of ways the Affordability Pilot will increase affordability, quality and access to licensed child care for families in London and Middlesex County including:

- a) immediate savings for families paying for licensed child care;
- b) increased access to child care fee support for families entering the system or using the system part-time;
- c) improved quality of both child care services and facilities;
- d) increased access to licensed child care through expansion projects; and,
- e) increased support for family needs through special needs resourcing.

In addition, there are also a number of benefits to licensed child care service providers. The one-time funding provides opportunities to:

- a) address operating issues such as repairs and maintenance;
- b) invest in play based materials and equipment;
- c) improve communications and reporting technology;
- d) improve recruitment and retention of early childhood educators;
- e) strengthen the workforce through training and professional development;
- f) support costs for relocating and/or amalgamation of operations; and,
- g) leverage funding to expand operations and consider affordability strategies moving forward.

### **NEXT STEPS**

## **Communications Strategy**

The Communications Strategy will support the implementation of the Licensed Child Care Affordability Pilot to make sure families have information available to make informed decisions regarding their children's child care, and licensed child care service providers have access to funding to support their operations. All public communications are required to clearly acknowledge that the contributions were made by the Province of Ontario and the Government of Canada. The specific communication tactics will include:

• The Affordability Pilot media release;

- Information letter to all licensed child care providers within London and Middlesex County;
- Updated information on london.ca website;
- Social media (Facebook and Twitter);
- Creation of promotional materials including poster and informational flyer; and,
- Insertion in existing City e-newsletters.

### **Implementing The Affordability Pilot**

Civic Administration will work with child care service providers in the geographic area of the City of London and County of Middlesex to support the implementation of the six key initiatives outlined in The Affordability Pilot commencing in June, 2018 and ending by December 31, 2018. Funds will be allocated to service providers through current funding processes and grant agreements. Outcomes will be tracked throughout the duration of the project and reported to the Province in Q1 2019.

#### FINANCIAL IMPACT

The Affordability Pilot will utilize the remaining Provincial allocation of approximately \$10.3 million available through 2017/2018 expansion funding to improve the child care system in London and Middlesex County. The expansion funding is 100% Provincial funding and does not require a municipal contribution.

Future initiatives to continue to enhance affordability and access to licensed child care will be subject to future Provincial funding levels.

#### CONCLUSION

The Affordability Pilot has a number of benefits for both families and licensed child care service providers in the geographic area of the City of London and County of Middlesex. It fulfils the expectations of Ontario's Renewed Child Care and Early Years Framework and supports the Province's commitment to help 100,000 more children from birth to age four access licensed care. The Affordability Pilot ensures that the full allocation of 2017/2018 expansion funding available for the geographic area of the City of London and County of Middlesex is invested in the community and provides the ability to enhance the licensed child care system towards improved affordability, quality and access for families.

PREPARED BY:	SUBMITTED BY:		
KRISTEN PAWELEC, MANAGER, NEIGHBOURHOOD AND COMMUNITY INITIATIVES	PAUL D'HOLLANDER MANAGER, NEIGHBOURHOOD OPERATIONS		
RECOMMENDED BY:			
LYNNE LIVINGSTONE, MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN & FIRE SERVICES			

C. Cindy Howard, General Manager Finance and Community Services, Middlesex County Lynn Marshall, Solicitor II Kyle Murray, Senior Financial Business Administrator Jason Wills, Manager III, Risk Management