Children’s Services
Report on Stakeholders Engagement towards a new Funding Model
Introduction

The Ontario government presented its new child care funding framework and formula for municipalities in December 2012. This will provide greater flexibility for Children’s Services to allocate child care funding based on local needs and help to ensure that services continue to be available and accessible for the families who need them.

The new funding framework allows for a “Made in Toronto” model that is more customized to meet local needs and will help to ensure that our child care system is stable in future years. Our vision is to have a high quality system of services available to all families when and where they need them. Given that licensed childcare can accommodate only 20% of Toronto’s children, this will be a multi year process that must involve all orders of government.

Engagement Strategy

Toronto Children’s Services has made a commitment to engage families, child care operators and other stakeholders in the development of the new “Made in Toronto” funding model. Since December 2012, the Division has been gathering valuable stakeholder feedback on the development of a new funding model for Toronto’s Childcare system. There are three key phases to the engagement process:

Engagement on Funding Model Principles in the spring of 2013
Engagement on Funding Model scenarios between May 2013 and November 2014
Engagement on a recommended long term, sustainable funding plan in the spring of 2015

The engagement strategy included sessions with:
• Parents through the 2013 and 2014 Parent Summit events
• Parent Surveys available online for families who could not attend the Parent Summit’s in person
• Child care Service Providers in each district of the City through a series of District Child Care Advisory meetings
• Municipalities across Ontario
• Other City Divisions
• An Advisory Panel of subject matter experts
• A Stakeholder Reference group made up of child care operators
• City staff
• Members of the Aboriginal community
• Members of the Francophone community

Engagement Methods

Beginning with the 2013 “Let’s Talk Child Care” campaign, parents have been engaged through 2 online surveys and two annual Parent Summit events. This has enabled Children’s Services to gain a broad understanding of families’ needs relating to child care preferences, accessibility, and affordability.

Input and feedback from the Expert Advisory Panel and the Stakeholder Reference group has helped inform the direction and specifics of various models.

Through discussion with child care service providers at District Child Care Advisory sessions, the division has gained insight and feedback on important considerations for a sustainable funding plan. From this group we sought input on:
• Funding Model principles and evaluation criteria
• Funding Model scenarios for consideration and evaluation
• Directions to consider in the selection and implementation of a model
Based on the feedback received, Children’s Services is pursuing a funding model under which operators do not receive a reduction on present funding. New resources will be invested in a manner that improves access, quality and stability in the system.

**Overarching Themes from Stakeholder Groups:**

The sections below highlight questions posed to Stakeholders and the comments and feedback received.

**Discussion on the new Provincial Funding Framework and the need for a “Made in Toronto” Funding Model**

**How do we make fees more affordable for families with children 0-4 without adversely affecting salaries?**

- Lower fees means harder to pay staff and staff are needed to keep the system intact
- Core funding that is stable and adjusted to inflation / Keep base funding in the early years RECE field / Align base funding to reflect different costs across the system e.g. rent / Federal base funding grants
- More equality in base funding – allocate evenly between non profit and commercial operators
- Need more private sector funding
- Stop allocating resources from older to younger children
How do we best serve the most vulnerable families?

- Commercial centres must be able to expand. Not viable to lose 30 SA to gain 10 toddlers / Need more part time care ability to space share / Free up DNA space requirements to offer care to more children / More subsidies for younger age groups / Transition centres to younger age groups
- Serving the most vulnerable alienates other families / Target individual communities / Vulnerability not limited to socioeconomic status
- Fund lunches for KG / Lunches provided by school board
- Centres who rely on subsidy need more base funding due to higher vacancy rate / Increase number of subsidies
- National childcare system / Partnerships between all levels of Government
- Universal waiting list with search feature for vacancies / Priority waitlist to those most in need / Partner with maternity wards to get families on the waiting list earlier
- Look at working poor in the unlicensed sector and use this range rather than LICO / Families use unlicensed care due to cost and access – improve both

How do we stabilize the workforce?

- Standard salary scale for staff / Recognize expertise and education / Recognition of RECE / Pay staff to upgrade – work with the College of ECE / Need pensions
- More money for training / Onsite professional development with other centres – builds capacity
- Address inequities in base funding that results in some getting higher salaries
- Same benefits in line with school board / Address split shift issue / Share staff with school site / Hiring partnership between board and centre

How do we ensure quality in more programs?

- Have measurement for other programs (ARC, parenting/literacy) / Non purchased should have ELCAQI / Kindergarten classes assessed in conjunction with KG childcare
- More resources from Children’s Services, more visits / Hire more Resource Teachers to work with Teachers/ Central resources for RECE / More education and staff training / Enhanced ratios
- Fund benefits to retain staff / Stable funding to support salary scale and cost of living / Core funding – PEI / Full time staff positions
- Streamline requirements between DNA and school boards / Increase space accessibility in FDK
- Reduce administration

Discussion on Policy Considerations

Should base funding be investing in programs providing service for children for 0-4?

- School age and Kindergarten staff may not be recognized in 0-4 principle and they are the most needed staff positions right now
- Include school age in the model as 4-12 has become a “patchwork” of services
- If a program has no room to reconfigure or expand the impact is great
- Middle childhood may offer families other choices for care
- Some school age families prefer community based care so a mixed model (in and out of school) is preferable
- 4-12 should be 100% funded by province
- B&A should be operated by school boards not 3rd party
- School age programs to move into schools rather than face closure
- Not enough 0-4 space in some communities
- Programs in schools may have limited ability to expand due to lack of space
- Continue to include school age to keep families together
- Without base funding school age only programs in schools would be significantly impacted by a loss of occupancy and wage grants
- Aging workforce presents challenges on moving toward serving younger age groups
Should base funding be directed only to programs with a fee subsidy agreement that meet quality standards and operate efficiently?

- Operators cannot be efficient when restricted by the room license being inefficient
- To receive funding quality standards should be met
- Clear license and not for profit status should be sufficient to get funding
- Agree that operators must have a contract for fee subsidy to get base funding

Should base funding be directed only to programs that operate full time, full year?

- Agree with 12 month year
- Be flexible with operating days, provide funding based on number of days
- 11 months policy needs flexibility and should be based on parent need for service

Should based funding be denied from programs that charge a registration fee to families for the waitlist?

- Waitlist fees are not charged to make money but to manage the waitlist and keep only ‘serious’ families on it
- Most who charge do not charge fee subsidy families
- Would result in a loss of income from registration - parents benefit from this increased revenue
- Not allowing programs to charge admin/waitlist fees to families is fair
- Cost to administer the waitlist should be included in the budget
- Registration fee used to ensure family is committed and keeps their space
- Allow waitlist admin fees but put cap on what can charge
- Be flexible
Discussion on Funding Model Scenarios

**Scenario 1 - Direct all base funding to increase fee subsidies**

Impact on staff
- Staff salaries could decrease due to loss of base funding

Impact on families
- Increase in subsidies good for waiting list and vulnerable families
- Only supports low income families
- Increase in full fees will impact middle income families
- Impact on centres
- Increased competition between centres for families based on raised fees

Impact on operators
- Difficult to strive for quality due to poor staff wages resulting in staff turnover
- Predict more vacancies due to fee subsidy population being more transient
- Option not viable for operators

Impact on system
- Not enough infant and toddler spaces to support the increase in subsidies.
- Additional subsidies only benefit some wards

**Scenario 2 - Distribute base funding equally to operators serving children 0-4**

Impact on staff
- Supports higher wages for staff resulting in less staff turnover
- Impacts staff salaries for centres who receive a significant amount of salary grant

Impact on families
- Base funding is better for parents
- This option supports both full fee and fee subsidy families
- Increased fees will increase vacancy rate
- Infant, Toddler, Preschool fees will get lower but Kindergarten and School age will increase
- If School age fees skyrocket, more children will become latchkey kids
- Decreased fees for younger age groups may result in more full fee families using the spaces, leaving less for fee subsidy families

Impact on operators
- Good for operators who currently get no base funding
- Good for operators who serve children 0 – 4
- Simpler administrative process
- Can decrease fees resulting in less vacancies
- Not all centres benefit
- Unfair that currently those who do not have rent get less funding

Impact on system
- Taking the same money and spreading it thinner will destabilize the system
- Ensure all centres start at level playing field
- Look at option to share the funding to centres based on a salary scale or based on occupancy
- 5 – 10 percent impact IS significant
Scenario 3 - Set maximum fee limits for families with infants and toddlers, with base funding supporting operators approved budget costs

Impact on staff
• Loss of base funding would impact unionized centres ability to maintain salaries
• Does not go to staff

Impact on families
• Good for parents of infants and toddlers
• Gets most vulnerable into care
• Lower cost is a benefit to families
• Fair across the system to full fee and subsidy families
• Fees would increase as a result of loss of salary funding in all other age groups
• Doesn’t help families on the waiting list
• Parents concerned with care for 0 -12, this does not support preschool and school age
• Families will benefit from reduced fees for younger children but not for older children
• Short term solution for parents, they will just pay more later

Impact on operators
• Vacancies are partially paid through base funding
• May be less vacancies due to more affordable care
• Preschool fees would increase and be comparable to infant and toddler
• This option does not fund vacancies
• Centres may close due to lack of stable funding
• Does not help where current fees lower than limit and does not support part time care options
• Some centres are unable to reconfigure
• Some operators will lose SA spaces
• Only benefit those who do not receive base funding
Impact on system
• Not equitable across whole system of 0 – 12
• Creates additional inequities and takes away operator flexibility
• Only good for infant and toddlers, does not include preschool
• Starts children in care early and feeds the system

Scenario 4 - Direct base funding towards occupancy costs and increase fee subsidies

Impact to staff
• Impacts salaries when base funding taken away
• Salaries across the system will drop or parents fees will go up

Impact to families
• Equitable access to childcare for low, middle, upper class families
• Waiting list is decreased with more fee subsidies
• Hits full fee families hardest

Impact to operators
• Good that includes 0 – 4 years
• Helps centres not currently receiving occupancy costs
• Easier to administer but $2.50 not enough
• Takes from one to pay another
• Economic impact does not factor in rental variances across the City
• Loss of base funding impacts a programs viability

Impact to system
• Increase to fee subsidy ceiling
• Not enough licensed spaces to place children
• Increase in spaces is not enough to address the waiting list

Discussion on feasibility of a scenario focused on salaries

What should the City consider in scenario development?
• Benefits and pensions are important, not just salaries
• Seniority and qualifications
• Involve College of ECE
• Consider regulation changes e.g. Child and Youth staff
• Funding should be based on capacity and age groups
• Recognize cost of living
• Need stable, predictable funding
• Equitable salaries that support quality and staff retention
• Include staff training
• Salary scale / set base amount by position / hourly wage rather than salary
• Competitive salary ranges that aim to meet school board and City salary ranges

What should the City consider for implementation?
• Flexibility
• Union negotiations
• Potential increase to parent fees
• Need accountability measures
Who should base funding be allocated to?

- Salaries that support stability for part time qualified staff
- Money should be available to all staff, full and part time, trained and assistants
- Money should be directed to permanent positions and program staff
- Supervisors should be better compensated, Supervisors who do financials need compensation, Supervisors need admin support
- Salaries that promote RECE salaries and the hiring of trained staff – consider all RECE staff team
- Consistent guidelines for commercial and non profit

Scenario 5 - Direct base funding as a General Operating Grant with minimum salary set for RECE's

Impact to staff

- Salaries of staff are improved
- Concern that boards of directors will consider the minimum salary amount “adequate” and not support regular fee and salary increases.
- Concern about assistants salaries
- Like setting minimum salary for RECE
- Seems like new form of pay equity

Impact to families

- Does not address challenges with vacant spaces and families unable to access care
- Does not specifically reduce fees
- Continues to support care 0 – 12
- Unsure of impact to full fee families
- Increase in salaries will have impact on parent fees
- Third party staff do not get grants so these parent fees will increase
- Salary grants will stabilize infant and toddler fees
- Low fees will need to increase significantly

Impact to operators

- Levels the playing field – all centres benefit
- Like that operators who currently pay good salaries are not going to receive less
- Like that there will be no decrease in current funding
- Does not fill vacant spaces
- Salaries more equitable between commercial and not for profit centres
- Concern that some operators will not put all money into salaries resulting in greater competition for RECE amongst centres
- Flexibility in how to spend is good
- Operators in schools benefit because their rent is paid. Operators out of schools may have to use funds to pay rent so they benefit less
- Too much power for Boards of Directors – conflict between higher salaries and keeping parent fees low
- Concern about funding this to commercial operators as they may not use it as intended
- Does not support individual unique situations

Impact to system

- No increase to fee subsidies or spaces
- Middle childhood actions are essential to making this work
- Inclusive system of 0 – 12
- Slow process to implement
- Funding pot spread thinner if it is supporting all age groups
- Insufficient to address capacity changes
- Incorporates the overall vision
- Easier to administer
Discussion on what should be considered when selecting and recommending an option?

Considerations for staff in the child care sector

- Option needs to be fluid – minimum salary must increase over time and funding must support this
- Support staff to remain in child care
- Provide a salary scale for all staff for all centres to follow
- Attach funding to staff education rather than a minimum pay
- Increase wages completes with City salaries and school boards
- Allow grant to be used to support more hours for SA and KG staff in split shifts
- Programming time for staff

Considerations for families

- Consider affordability and accessibility of care for families 0 – 12
- Ranges of parent fees needs to be reviewed
- Different options need to be available for parents
- Should look at changing fees (unblending) but full fee families can’t afford an increase
- Plan for capping fees and what impact this will have
- Understand quality vs. availability/access

Considerations for operators

- Must find the right balance between flexibility and accountability
- No operator should lose their current funding allocation in 2016
- No strings attached – should not take away from programs that do not have a fee subsidy agreement
- Base funding should require a fee subsidy contract and regulations for quality
- Same treatment regardless of auspice
- Recognize value of preschool groups in keeping centres viable
- Requires less administration if paid in one grant
- Provide average salary/fees and min and max salary and fees to allow for operators to make decisions
- Recognize planning and prep time in the budget
- Need individual implementation plans
- All centres are unique and need support
- Unionized centres are allowed to get more from Government than non unionized centres

Considerations for system

- More equitable system moving forward, brings people up
- Need accountability for public funds – accountability may be different for commercial and not for profit to ensure grants are appropriately used
- Need concrete middle childhood plan
- Maintain licensed care for 6-8 and other forms for 9 – 12
- Address loss of wage grants as a result of FDK and allow lunch for FDK
- Include KG and SA in the continuum of care
- Consider impact of vacancies
- Re look at Ward Equity and strategy for placement
- Focus on supporting higher needs communities
- Keep paying school rents
- Use different formulas for different age groups to calculate funding
- Address training and professional development and partnership training with school board
- Look at special needs funding when looking at options
- Want opportunity to provide feedback on guidelines for disbursement of funding
Next Steps

Thanks to the valuable input of our stakeholders over the past 18 months, Children’s Services will recommend a “Made in Toronto” Funding Plan to Committee and Council in 2015. The Funding Plan will align with the 2015-2019 Service Plan and support access, affordability and quality child care for families across Toronto. The plan must continue to support the child care system in a way that is sustainable, supports growth of the system and does not disadvantage operators currently receiving base funding.

Once a Funding Plan has been approved by Council, discussions with our stakeholders will continue with a focus on implementation and transition. Site by site assessment and implementation plans will be developed with service providers in 2015 and implementation, with mitigation strategies if necessary, will occur gradually beginning in 2016. It expected to take three to five years to gradually transition to a new Funding Plan.