

DATE: February 21, 2011

REPORT TITLE: **TRANSFORMING THE EARLY LEARNING AND CHILD CARE SYSTEM:
ENSURING SUCCESS**

FROM: Janet Menard, Commissioner of Human Services
 Janette Smith, Commissioner of Health Services

RECOMMENDATION

That the joint report of the Commissioner of Human Services and the Commissioner of Health Services, dated February 21, 2011, titled "Transforming the Early Learning and Child Care System: Ensuring Success", be received;

And further, that a copy of the report be sent to the Ministers of Children and Youth Services (MCYS) and Education (EDU) for their future consideration in the transformation of the Early Learning and Child Care System.

REPORT HIGHLIGHTS

- The Region of Peel fully supports the implementation of Full Day Kindergarten as an important step in achieving an integrated Prenatal-to-12 Child and Family Service System and in ensuring the success of children in Ontario.
- Successful transformation of the system will be dependant on foundational supports that include funding for system stabilization, historical investment inequities and human resource planning.
- As the Service System Manager for early learning and child care, the Region of Peel has embarked on a process to support the transition of four and five year olds to the education system, re-engineer the existing system to accommodate infants and toddlers and ensure the ongoing viability of stakeholders within the new vision.

DISCUSSION

1. Background

On September 9, 2010, staff provided Regional Council with an information report entitled, "Full Day Early Learning", to provide Council with a preliminary status of the provincial Full Day Kindergarten initiative and its potential impact for Peel.

Peel Region is one of 47 Consolidated Municipal Service System Managers for early learning and child care and as such, has a role in the evolution of the transformation from the current system to a new Prenatal to 12 Child and Family System. The objective of this report is to provide Regional Council with an overview of the Ontario Government's Full Day Kindergarten initiative and to highlight the foundational prerequisites necessary to ensure

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transition success, as identified from a service system management perspective. Council will be aware that many of our municipal counterpart service managers and sector associations and partners are bringing attention to these requirements; often through the media.

In June 2009, Dr. Pascal's report, *With Our Best Future in Mind, Implementing Early Learning in Ontario*, presented a vision of an integrated Prenatal-to-12 Child and Family Service System. Subsequently:

- The province introduced Full Day Kindergarten for four and five year olds to be phased in over five years (2010–2015).
- In September 2010, 600 schools and 35,000 children across the province became part of the Full Day Kindergarten program.
- Full Day Kindergarten for four and five year old students, in Peel, is being phased in as follows:
 - Phase One: 160 classrooms in 35 schools
 - Phase Two: 66 classrooms in 19 schools
 - Phase Three: 397 classrooms across four school boards
- Dr. Pascal continues to work with the Ministry of Children and Youth Services on planning for implementation of Best Start Child and Family Centres.
- In December 2010, the province announced that school boards will be given the flexibility to enter into agreements with third-party operators to provide before-and/or after-school programs.
- Early learning and child care service manager responsibilities were transferred from the Ministry of Children and Youth Services to the Ministry of Education effective January 1, 2011.

As the Service Manager for early learning and child care, the Region of Peel fully supports the implementation of full day kindergarten as an important step in achieving an integrated Prenatal-to-12 Child and Family Service System. The Full Day Kindergarten initiative will provide children with a strong start in school that will set them on the right path towards improved social, educational and health outcomes that will, over time, lead to a well educated workforce. Staff has been working closely with Public Health, local school boards, Success by Six, Peel's Best Start Network and early learning and child care service providers to support the transition of the four and five year olds from the child care sector to the school boards.

2. Foundational Requirements

The transition from the current early system to a Prenatal to 12 Child and Family Service System is both bold and ambitious. Because of the magnitude of the change and the aggressive timelines within which the change will occur it is essential that a number of system cornerstones and implementation supports are in place. These will ensure that the program goals are achieved and that the "system" remains able to assume new and changed responsibilities. These include:

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a) Stabilization Funding

As children in child care centres move to the school system, child care providers are subject to significant revenue loss if the retrofit and replacement of empty spaces are not well timed. Child Care Stabilization Funding is therefore required to bridge potential revenue losses and to redesign existing space to meet the care needs of younger children. The resource requirements and space design for infants and toddlers are significantly different than for four and five year olds.

Although the Province has committed Child Care Stabilization Funding to assist service managers as with financial challenges of sustaining the system through this change, the initial funding was for the first year only and didn't meet local needs. For example, Peel received a total of \$556,200 in Stabilization Funding for 2010/11 which included \$418,800 in operating funding and \$137,400 in capital funding. The operating allocation purchased 37 additional fee subsidy spaces and the capital funding allocated was insufficient to provide any meaningful retrofit for the 165 centres impacted by the first implementation year of Full Day Kindergarten. In total, 22 centres received \$6,245 for minor renovations to assist in the conversion of classrooms to serve younger children.

The Ministry of Education has advised that further Stabilization Funding for the second implementation year of Full Day Kindergarten would be announced in February 2011. A provincial multi-year approach to Stabilization Funding that provides for local flexibility on funding use is required.

b) Equalization Funding

There are many areas throughout the province, including Peel Region, that are historically under funded in this sector. This raises concerns as to whether there will be sufficient funding and flexibility provided to support the level of transformation required for a fully integrated Prenatal-to-12 Child and Family Service System.

A recent report from the Federation of Canadian Municipalities finds that as of 2006, there were nine children living in low income in Peel for every available subsidized child care space. This is the lowest ratio in Canada amongst reporting municipalities and is less than half the average for the rest of Ontario.

It is too soon to tell if the redesign of the early learning and child care system will address historical inequities, or close the financial gap between Peel and the rest of the Province for subsidized child care. If it does not, however, children under the age of 3.8 will not have equal access child care and subsidy in Peel. It is a concern that currently there is no strategy in place to make up for the historic funding gap to create licensed spaces and subsidies.

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In addition to historical inequities, the buying power of the current provincial investment will be impacted by this transition. While the removal of four and five year olds from the child care system to the education system does create new capacity, preliminary figures show that there could be up to a 30 per cent increase in fees for children 0-3.8 years of age, potentially increasing the average subsidy cost per child care space from approximately \$11,000 to \$14,000 annually. This is because younger children cost more to care for and because the revenues generated from older children currently cross-subsidize younger children. (The ratio of staff to children as governed by the *Day Nurseries Act* is much higher for younger age groups i.e. infants, toddlers.)

In short, the existing dollars (if maintained by the Province) will buy fewer subsidized spaces. If fee subsidies for licensed child care are not available, families may be forced to seek unlicensed, unregulated child care.

c) Early Childhood Educator Human Resource Planning and Funding

In recent research report of Dr. Janette Pelletier's, of the Ontario Institute of Child Studies/University of Toronto, on early learning in Peel, key informants expressed concerns about the impact of Full Day Kindergarten on the future labour supply of Early Childhood Educators and on the future of child care more broadly.

As a direct result of the implementation of Full Day Kindergarten, child care service providers are reporting significant labour force pressures including:

- difficulty in retaining experienced Early Childhood Educators (as reported by 65 per cent of respondents in a recent Child Care Provider Survey. In Phase One, 105 of 163 Early Childhood Educator positions recruited to two Peel school boards were from early learning and child care programs);
- the need for 397 new Early Childhood Educator positions to support Full Day Kindergarten in Peel's four school boards by 2012;
- the need to hire more Early Childhood Educators to meet mandated staff ratio requirements for 0-3 year olds by child care providers (one ECE to three infants; one ECE to five toddlers; compared to one staff to ten, four and five year olds);
- historical inadequacy of wages for Early Childhood Educators within child care (starting salary for a centre-based ECE is \$10.25 per hour compared to the starting salary for a school board ECE at \$23.18).

Current provincial wage subsidy funding is insufficient to meet the needs of early learning and child care staff. This contributes to the fact that Early Childhood Educator labour supply and demand challenges are being experienced province-wide. This issue was raised by the Consolidated Municipal Service Managers at a recent orientation meeting with Ministry of Education. The Consolidated Municipal Service Managers have asked the province to develop a multi-year stabilization funding strategy that includes addressing wage subsidy inequities in an effort to attract and retain Early Childhood Educators to support early learning and child care services for children 0-3.8 years.

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3. Next Steps

The transformation of the early learning and child care system represents a significant opportunity for Ontario and the future of Ontario's children. It will no doubt require thoughtful and financially supported planning and orchestration. However, in the absence of the foundational supports identified above, this change is not without risk. To ensure that the Region is in a position to effectively meet these challenges over the next several years, Regional staff are leading a strategic planning initiative that will engage community partners in the transformation of the early learning and child care system. This comprehensive planning initiative is designed to:

- respond to emerging short-term needs including system stabilization; and
- plan for the longer term needs of our growing community.

The plan will incorporate projects that address system reengineering for 0-3.8 year olds (inclusive of internal operations and regionally operated centres), support the transition to Full Day Kindergarten, and work with Public Health, Peel Children & Youth Initiative and Success by Six to engage community partners to develop an integrated Prenatal-to-12 Years Child and Family Service System (inclusive of Best Start Child and Family Centres). It will also provide specific details regarding the implications for Peel and recommendations for a smooth and successful transition. Staff will also make recommendations as to how Best Start reserve funding could be used to support some of the transition challenges faced locally in Peel.

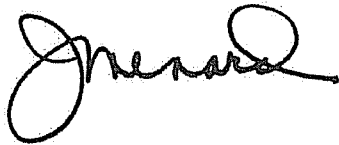
CONCLUSION

Peel's integrated early learning and childcare system is currently experiencing unprecedented transformational change. The Region supports the implementation of Full Day Kindergarten as an important step in achieving an integrated Prenatal-to-12 Child and Family Service System and ensuring the early development of children in Peel. The Region is committed to providing leadership in the innovative design and delivery of services.

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As the service system manager, it is Peel's role to lead the planning process and to work with the community in building an integrated platform for children prenatal-to-12 years of age. However, the ability of Peel Region to be successful is dependent on provincial support for foundational requirements that include funding for system stabilization, historical inequities and Early Learning Educator human resource planning.



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