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DATE: August 27, 2012

REPORT TITLE: **EARLY LEARNING AND CHILD CARE TASK FORCE
RECOMMENDATIONS**

FROM: Gael Miles, Chair, Early Learning and Child Care Task Force
Elaine Moore, Vice-Chair, Early Learning and Child Care Task Force

RECOMMENDATION

That the recommended role for the Region of Peel in early learning and child care, as set out in paragraphs 2 a) and b) of the report from the Chair and Vice-Chair of the Early Learning and Child Care in Peel Council Task Force (ELCCTF), dated August 27, 2012, titled "Early Learning and Child Care in Task Force Recommendations", be approved;

And further, that staff report back to a future meeting of Regional Council on a proposed amendment to the Regional User Fee By-law to allow for fee increases to achieve full-fee cost recovery in Children's Services;

And further, that the mandate of the ELCCTF be extended to continue to meet, as needed, in order to support ongoing implementation.

REPORT HIGHLIGHTS

- The transformation of the early learning and child care system, combined with increasing financial pressures and growing unmet service system needs, requires that the Region of Peel review its roles as service manager and service provider
- In response to a January 26, 2012 Council report on the future role of the Region of Peel in early learning and child care, Council established an Early Learning and Child Care Task Force, which held six meetings from April 2012 to August 2012
- The Task Force received information and recommendations from numerous presenters and communications
- In response to themes from presentations and communications, the Task Force is recommending to Council twenty-one recommendations to strengthen the ELCC system in Peel
- To enable the system improvements, the Task Force also recommends that the Region implement a phased withdrawal from direct delivery of its 12 Learn.Play.Care. Child Care Centres
- The Task Force is recommending that reinvestment dollars from the Region's withdrawal from direct delivery be used to implement system manager recommendations
- The Task Force recommends using Best Start reserves to fund initial stages of reinvestment plan

August 27, 2012

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS**DISCUSSION****1. Background**

In response to the January 26, 2012 Council report titled "Proposal to Redirect Current Child Care Funding to Increase Service and Meet the Needs of a Changing Early Learning and Child Care System", Regional Council (through Resolutions 2012-112 and 2012-113) established a Task Force of Council to pursue further consultation on the recommendations contained within the report.

The Task Force (Appendix I) held six meetings. The first five meetings focused on the themes of full-day kindergarten implementation, the Provincial vision for early learning and child care, system transformation and sustainability, service providers, quality and quality assurance, fee subsidy, the fee subsidy wait list, and special needs supports. At the final meeting, the Task Force reviewed options with respect to the future of the Region of Peel's role in the early learning and child care system in Peel. Throughout its six meetings, presentations and communications from Provincial ministry officials, school board representatives, academics, child care providers, parents, community organizations, and members of the public were received.

The Task Force heard the following:

Provincial Vision for Early Learning and Child Care

- Early Learning makes a difference and research shows quality early learning and child care results in, at minimum, a 7:1 return on investment.
- The implementation of full-day kindergarten is successful and on track for completion by September 2014. Although voluntary, there is a province-wide uptake of 97 per cent by parents thus far.
- A seamless day, with before- and after-school programming in the same location as full-day kindergarten positively affects a child's ability to learn, reassures parents, and results in higher program satisfaction among educators.

Quality and Quality Assurance

- The new Quality Assurance and Licensing Division within the Ministry of Education will be making changes to ensure quality and consistency within the early learning and child care system.
- Peel's licensed child care system has many quality programs. One-third of providers participate in a voluntary quality program called Raising the Bar. Many presenters felt that additional support and participation in the program will further increase quality in Peel's early learning and childcare system.

System Transformation and Sustainability

- 88 per cent of the current Peel system serves pre-school and school-aged children, while 12 per cent of spaces serve infants and toddlers. As a result, the transition of children to full-day kindergarten is creating vacancies that affect system viability.
- Vacancy rates in the system are increasing due to inadequate subsidy dollars resulting in long waits for children living in low income and families not being able to afford the full fees.
- Inadequate funding for children with special needs is contributing to escalating vacancy rates.

August 27, 2012

G.1a--3-

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

Special Needs

- There are significant and unacceptable gaps in service for children with special needs in Peel. This was made evident in presentations from parents waiting for services and/or subsidy.
- Children with special needs make best progress in environments that are inclusive and fully integrated.
 - Options to focus Regionally-operated Learn.Play.Care. Centres to serve only children with special needs are not inclusive and not in the best interest of children.
- Special needs services need to be better co-ordinated and waitlists centralized.

Regionally-Operated Learn.Play.Care. Centres

- Parents of children in Learn.Play.Care. Centres conveyed their satisfaction with current service and expressed concern regarding the loss of child care should Council determine to withdraw from the direct delivery of early learning and child care.
- Innovative programming, such as the Brampton West Nursery School, Chinguacousy Evening Care, and Valley Infant Parent Programs, should continue.
- Cost reductions within Learn.Play.Care. Centres will not bring costs in line with the private (non-profit and commercial) sector as salaries comprise 77 per cent of costs and cannot be reduced as salaries are tied to the corporate fair wage philosophy based on pay equity and municipal comparators.

a) Summary of Peel Context

i) System Pressures

Peel's early learning and child care system is undergoing unprecedented change. The transformation of the early learning and child care system, combined with increasing financial pressures and growing unmet service system needs, requires that the Region of Peel review its roles as service manager and service provider.

ii) Implementation of Full-Day Kindergarten

Approximately 34,000 four- and five-year olds will enrol in full-day kindergarten by September 2014, with 14,300 of these children transitioning by this September. The Task Force heard from child care service providers who asked the Region to lead a plan for the early learning and child care system to mitigate transitional challenges and to create stability and viability for children aged 0 to 3.8 years. It is within this context that Council has to decide if the Region should continue to play a role in the direct delivery of child care.

As of September 1, 2012, the Region received 52 resignations from early childhood educators, of which 21 are regular staff, employed within a Learn.Play.Care. Centre. As per Council's direction, the operation of the Learn.Play.Care. Centres has continued, business as usual. As such, these positions have been filled and new contract staff have replaced staff that transitioned to the school board and other opportunities.

By 2014, Peel's four school boards will have implemented full-day kindergarten in 287 schools and 1,314 classrooms. This will create a need for equivalent numbers of early childhood educators and, in 2013 and 2014, the school boards will be hiring 781 early childhood educators. Learn.Play.Care. Centre early childhood educators, although not

August 27, 2012

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

assured of employment with the school boards, are well positioned and qualified to apply for these opportunities.

iii) Need for Fee Subsidy

In the midst of system transformation, there are 4,350 children waiting for subsidy, of which 2,650 (61%) are children aged 0 to 3.8 years and 1,700 (39%) are children aged 4 to 12 years. Of the 2,650 children aged 0 to 3.8 years, 850 (32%) are ready to be placed. The remainder, 1,800 children (68%), are planning for future care.

The transition of four- and five-year olds to full-day kindergarten does not create subsidy availability for children aged 0 to 3.8 years. Many of these children require the extended day program as part of their transition to full-day kindergarten and will take most of their subsidy dollars with them. As participation in the extended day program increases, there will also be an increased demand for subsidy from families of four- and five-year olds previously not receiving subsidy (such as those transitioning from informal care).

iv) System Capacity

Peel has a system wide (centre-based and home child care) capacity of 25,700 licensed child care spaces for children aged 0 to 12 years of age. Over half of these spaces (13,500) are for children aged 0 to 5 years, of which 7,500 spaces are in centres with a Purchase of Service agreement for fee subsidy.

Staff analysis reveals a total of 3,000 vacancies for children aged 0 to 5 years in Purchase of Service Centres based on licensed capacity in July 2012. The number of vacancies in September is predicted to be 3,600. Filling these vacancies will take time as providers need to increase their staffing when they have corresponding enrolment (e.g. staff would be required when five children 18 – 30 months (toddlers) are ready to enrol).

v) Opportunities and Costs to Retrofit Spaces to Serve Younger Children

Transforming the early learning and child care system to care for younger aged children results in increased financial pressures on providers and places additional demand on taxpayer dollars for capital and subsidy. Analysis shows a growing supply for spaces that could be retrofitted and the need for system manager supports to assist providers in filling vacancies.

Staff have assessed the current and potential number of spaces and identified that 79 per cent of spaces will be available by 2014 to serve more infants and toddlers. As four- and five-year olds move into the school system, providers will incur costs to retrofit existing spaces to accommodate children aged 0 to 3.8 years. In addition, initial capital costs and ongoing operating costs are higher for infant and toddler care due to the equipment and higher staff to child ratios required. Staff estimate that one-time retrofit costs to serve younger age groups generally range from \$5,000 to \$35,000 per centre depending on a range of factors such as building condition, existing equipment, building location, and physical space.

vi) Provincial Modernization Discussion Paper and Memorandums

A number of recent Provincial communications inform and assist the process of adapting to system transformation.

August 27, 2012

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

On June 27, the Ontario government released a discussion paper, *Modernizing Child Care in Ontario*, as part of its plan to transform child care in the province over the next several years. This discussion paper begins a conversation that will help move Ontario towards a high quality, accessible and co-ordinated early learning and care system and therefore is not an immediate solution to build system stability. The timing of the Province's discussion paper, however, is well aligned with the work of the Task Force. Thanks to this process, the Region is well positioned to use the wealth of information and presentations provided to the Task Force to enhance Peel's response. In July 2012, Regional staff facilitated two community discussion workshops and also gathered input from six community network groups. Feedback was received from a total of 150 participants including community organizations and advisory committees, school boards, and child care providers. A report summarizing the discussion paper and Peel's response, titled *The Region of Peel's Response to the Province of Ontario's Discussion Paper "Modernization of Child Care"*, will be submitted to Regional Council on September 27, 2012.

On July 10, the Ministry of Education released two memorandums. *The Schools-First Child Care Capital Retrofit Policy* memorandum announced capital funding for child care in school settings and the *Child Care Funding* memorandum directed additional funding to begin stabilizing the 0-3.8 early learning and child care system. A report submitted to Regional Council on September 13, 2012, titled *Additional 2012 Funding for the Early Learning and Child Care System in Peel*, addresses recommendations on how Peel's \$2.4 million share of Provincial funding can be allocated.

2. Early Learning and Child Care Task Force Recommendations

The Task Force themes and recommendations relate to the Region's two roles. Based on these themes, specific recommendations are before Council for consideration related to the Region's role as both service manager and service provider.

The Task Force adopted six groups of recommendations that are contained in this report and subject to approval by Regional Council.

a) Role as Service Manager

The Task Force was presented with and supported service manager recommendations related to five key themes: service delivery and planning, special needs, quality, advocacy, and funding.

Recommendation 1: Service Delivery

- 1) Plan and ensure that the child care system is of high quality, stable and viable in the long term
- 2) Retrofit existing child care space to accommodate younger age groups, particularly infants and toddlers
- 3) Develop a policy regarding subsidized children in the child care system who have full-day kindergarten opportunities
- 4) Determine the need and demand for child care in Peel

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

Recommendation 2: Special Needs

- 1) Collaboratively develop a system strategy to ensure sustainable policies and programs to support children with special needs
- 2) Enhance special needs supports
- 3) Strengthen, not duplicate, special needs services and infrastructure
- 4) Ensure that Purchase of Service agreements make a commitment to provide inclusive care to all children
 - Make public funds available to centres that are inclusive and welcoming to all children
- 5) Manage wait lists on the basis of priority and "most in need"
 - Maintain a centralized wait list for resource and support services

Recommendation 3: Quality

- 1) Enhance quality assurance initiatives:
 - Increase funding for Raising the Bar
 - Mandatory participation in Raising the Bar for Purchase of Service programs
 - Increase the number of quality assurance reviews
- 2) Invest in professional education and training
 - Special emphasis on training to support children with special needs
- 3) Develop marketing campaigns to educate parents and providers on the quality, value and importance of licensed child care

Recommendation 4: Advocacy

- 1) Address inequitable distribution of fee and wage subsidies
- 2) Adopt a stronger leadership role to increase early learning and child care funding
 - Sustainable, reliable and affordable funding and transformational supports
 - Enhanced wage subsidies to help stabilize parent fees
- 3) Advocate with school boards to support flexible boundaries
- 4) Respond to the *Modernizing Child Care in Ontario* discussion paper

Recommendation 5: Funding

- 1) Provide sustainable, reliable and affordable funding for child care spaces
- 2) Enhance special needs funding
- 3) Increase the number of available fee subsidies
- 4) Increase wage subsidy, enhancement and equity funding to retain and attract early childhood educators
- 5) Continue to invest in staff and programs

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

b) Role as Service Provider

Recommendation 6: Phased Withdrawal from Direct Delivery

With respect to the Region's role as service provider, the Task Force recommended the following:

That the Region of Peel phase out the direct delivery of child care over a period of two years, having regard to the impact on high need communities to maintain capacity where there is demand;

And further, that appropriate staff labour transition be provided in accordance with fair labour practices and the Regional values;

And further, that the Region of Peel achieve these goals by:

- Ceasing enrolment;
- Working with our partners regarding alternate service delivery and specialized programming; and,
- Involving Regional Councillors to ensure decisions reflect community need.

Projections of children transitioning to the school board, under defined parameters, indicate that the Region could implement a managed withdrawal from direct delivery by September 2014 which would mitigate effects on children and families.

3) Implementation of Phased Withdrawal from Direct Delivery

It is recommended that staff report back on the suggested allocation of reinvestment funds during the 2013 Regional Budget process. In the interim, staff recommend that \$800,000 of one-time wage subsidy be redirected from the Region's Learn.Play.Care. Centres to the broader Purchase of Service system for the year 2012 in accordance with current wage subsidy policy. For 2013 and beyond, staff will review the wage subsidy policy and recommend how this funding can be allocated going forward. In addition, the report to Regional Council titled *Additional 2012 Funding for the Early Learning and Child Care System in Peel*, submitted on September 13, 2012, details suggested allocation of \$2.4 million of one-time Provincial funding for 0 to 3.8 years stabilization.

The Region's phased withdrawal from direct delivery of 12 Learn.Play.Care. Centres will be one that is managed so as to mitigate effects on children, families and staff. There are many factors that staff are unable to control, such as enrolment changes due to turnover and increased full-day kindergarten uptake, a higher than expected staff turnover, an inability to attract full-fee families, and the timing of transfer of ownership to an alternate provider. If a Learn.Play.Care. Centre needs to close due to inadequate enrolment, staff would work with families to support the transition of children to another child care program. As such, the Region's phased withdrawal from direct delivery will be implemented with the following considerations:

a) Current and Future Enrolment

- Maintain current operations at all centres until September 2013 unless centre becomes unviable or is placed under new ownership
- Limit new enrolment for all children, including children with special needs, at Learn.Play.Care. Centres and the Brampton West Nursery School, effective

August 27, 2012

6.1a-8-

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

October 2012, to children born on or before December 31, 2010 who will have full-day kindergarten opportunities or transition to Grade 1 by September 2014

- Cease enrolment in all Learn.Play.Care. Centres in September 2013
- Cease operations of all Learn.Play.Care. Centres by September 2014
- New full-fee families enrolled at Learn.Play.Care. Centres will be required to pay fees that are in line with full-fee cost recovery and in accordance with an amendment to the user fee bylaw. Full-fee families who enrolled prior to the date upon which the new user fee bylaw would take effect would continue to pay their current rates.

b) Specialized Programming

- Secure alternate provider and/or location for the Brampton West Nursery School
- Secure alternate provider and/or location for Chinguacousy Evening Program. Explore financial incentives such as covering revenue shortfalls or providing shift premiums to home child care agencies for agreeing to care for children in the evening.
- Maintain funding of the Valley Infant Parent Program and work with the community to find an alternate site to host the program

c) Special Needs

- Work collaboratively with special needs resource agencies to develop a special needs system strategy and to collectively leverage resources.
- Enhance service levels and increase access to special needs supports by providing additional funding to Peel's five community agencies and by increasing the number of resource teachers available to support children with special needs in community-based centres.
- Continue a Regional role in providing resource teacher services in collaboration with other special needs providers as part of a system wide strategy.
- Retain and transition resource teachers to act as community-based resource consultants to support children with special needs and inclusion practices in child care.

d) Opportunities for new ownership, new operation, or repurposing of Learn.Play.Care. Centre locations

- Engage in discussions to identify interest from community providers regarding the operations of any Learn.Play.Care. Centre(s).
- Engage in discussions, in consultation with the local Regional Councillors, with educational institutions (e.g. colleges and school boards), community providers, and local municipalities regarding potential repurposing or use of space at existing Learn.Play.Care. Centre locations, including the four Regionally-owned centres (Appendix II).
- Some specialized programs may relocate or an alternate provider would assume a centre premises before September 2014 if an earlier business arrangement better meets the needs of a community provider.

e) Other Considerations

Staff will report back at a later date on the policy decision regarding the provision of subsidy to children who opt out of available full-day kindergarten opportunities and choose to remain in child care.

The implementation plan addresses a number of considerations. These include enhanced management of mid-transition staff levels and an opportunity for staff not hired by the school

August 27, 2012

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

boards in 2013 to obtain employment in 2014. In addition, the plan provides ongoing supports to children with special needs, currently enrolled in the Learn.Place.Care. Centres, and, sets out a path for enrolled children to age-out of child care and transition to the education system.

This managed transition plan aligns with full-day kindergarten implementation timelines and allows time to explore opportunities for business arrangements with community providers to use Learn.Play.Care. Centre sites for child care or other programs. The plan is also designed to minimize uncertainty, for children and families, in this transitional period.

As the reinvestment dollars from the phased withdrawal from direct delivery will not be realized until 2014, the Best Start reserve of \$13.4 million will be used to fund Council's recommendations during this phased withdrawal from direct delivery. Staff will report back on the suggested allocation of reinvestment funds during the 2013 Regional Budget process.

The Task Force would like to emphasize that its recommendations are not a reflection of any concerns related to Learn.Play.Care. Centre employees or the care that they provide to children and families. Rather, Learn.Play.Care. Centre employees are recognized as dedicated and hard working professionals with a demonstrated commitment to providing quality care.

4) Proposed Direction

It is recommended that Council adopt the recommendations of the Task Force. Phased withdrawal from direct delivery would consist of a thorough plan to ensure the successful transition of children, particularly children with special needs, as well as supports to staff. To ensure that implementation is as smooth as possible, it is recommended that the Task Force continue to be active until the Region no longer operates Learn.Play.Care. Centres.

FINANCIAL IMPLICATIONS

The overall funding envelope for Early Learning and Child Care will not change. There are, therefore, no net financial implications to the Regional budget as a result of Task Force recommendations. Net funding of \$12.7 million currently directed to the Region's Learn.Play.Care. centres will be reinvested in priority areas within the child care system as approved by Regional Council. A withdrawal from direct delivery will be phased over two years, resulting in the full reinvestment funds of \$12.7 million not being realized until after 2014.

Costs associated with the closure or transfer of child care centres will be funded from any surplus to the extent possible with remainder to be drawn from the working fund reserves. As a result there would be no impact on future budgets.

August 27, 2012

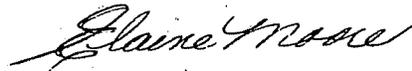
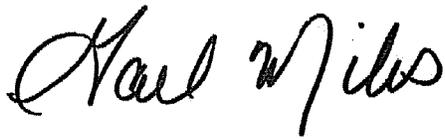
EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

CONCLUSION

After five months of meetings, presentations, and consultations with subject-matter experts, parents, and community providers, the Early Learning and Child Care Task Force recommends a revised role for the Region of Peel in early learning and child care that will strengthen its responsibilities in system management. This involves:

- Enhanced funding for fee subsidy, wage subsidy, special needs supports, quality assurance initiatives and other service priorities and enhancements
- The phased withdrawal of the Region from direct delivery of child care by September 2014

As leaders and as a system manager responsible for thousands of children and families and the overall strength of the early learning and child care system, we are compelled to recommend changes that maximize taxpayer dollars, ensure system sustainability, and provide increased access to services and supports.



Gael Miles
Chair, Early Learning and Child Care in Peel
Council Task Force

Elaine Moore
Vice-Chair, Early Learning and Child Care in Peel
Council Task Force

For further information regarding this report, please contact Lisa Duarte at extension 4862 or via email at lisa.duarte@peelregion.ca

c. Legislative Services
Manager, Financial Support Unit (FSU)



APPENDIX I

August 27, 2012

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

6.1a-11 - 1 -

APPENDIX I

EARLY LEARNING AND CHILD CARE IN PEEL TASK FORCE MEMBERS

- Regional Councillor Gael Miles (Chair) – City of Brampton Wards 7 and 8
- Regional Councillor Elaine Moore (Vice Chair) – City of Brampton Wards 1 and 5
- Regional Councillor Bonnie Crombie – City of Mississauga Ward 5
- Regional Councillor Sandra Hames – City of Brampton Wards 7 and 8
- Regional Chair Emil Kolb (Ex-Officio)
- Regional Councillor Paul Palleschi – City of Brampton Wards 2 and 6
- Regional Councillor Richard Paterak – Town of Caledon Ward 1
- Regional Councillor Pat Saito – City of Mississauga Ward 9
- Regional Councillor John Sanderson – City of Brampton Wards 3 and 4
- Regional Councillor John Sprovieri – City of Brampton Wards 9 and 10

EARLY LEARNING AND CHILD CARE TASK FORCE RECOMMENDATIONS

APPENDIX II

REGIONALLY-OPERATED LEARN.PLAY.CARE. (LPC) CHILD CARE CENTRES

Municipality	LPC Centre Name	Address	Regional Ward	Owned/Leased
City of Brampton	Brampton West Learn.Play.Care. Centre	9996 Kennedy Road North, L6V 0A1	Brampton Ward 1	Owned
City of Brampton	Chinguacousy Learn.Play.Care. Centre	1 Knightsbridge Road, Unit B, L6T 3Y6	Brampton Ward 8	Owned
City of Brampton	Collegeside Learn.Play.Care. Centre	7899 McLaughlin Road, L6Y 5H9	Brampton Ward 3	Leased (Sheridan College)
City of Brampton	Greenbriar Learn.Play.Care. Centre	1100 Central Park Drive, L6S 2C9	Brampton Ward 7	Leased (City of Brampton)
City of Brampton	Howden Learn.Play.Care. Centre	150 Howden Boulevard, L6S 2G1	Brampton Ward 8	Leased (City of Brampton)
City of Mississauga	Cooksville Learn.Play.Care. Centre	30 Hanson Road, L5B 3A7	Mississauga Ward 7	Leased (Peel Living)
City of Mississauga	Ernest Majury Learn.Play.Care. Centre	1320 Williamsport Drive, L4X 2T6	Mississauga Ward 3	Owned
City of Mississauga	Lancaster Learn.Play.Care. Centre	7425 Netherwood Road, L4T 2N7	Mississauga Ward 5	Leased (Peel District School Board)
City of Mississauga	Malton Learn.Play.Care. Centre	3500 Morning Star Drive, L5T 1Y2	Mississauga Ward 5	Leased (City of Mississauga)
City of Mississauga	Ridgeway Learn.Play.Care. Centre	3595 Ridgeway Drive, L5L 5T4	Mississauga Ward 8	Leased (Peel Living)
City of Mississauga	Streetsville Learn.Play.Care. Centre	114 Falconer Drive, L5N 1B4	Mississauga Ward 11	Owned
City of Mississauga	The Valley Learn.Play.Care. Centre	1275 Mississauga Valley Boulevard, L5A 3R8	Mississauga Ward 4	Leased (City of Mississauga)