



ADVISORY SERVICES

Service Delivery Model Project: A Review of the Region of Peel's Role in the Early Learning and Child Care System

Final Report

Submitted to the Early Learning and
Child Care Steering Committee

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Executive Summary

Background

With the early learning and child care system undergoing a substantial transformation, the Region of Peel (Region) embarked upon several initiatives, including a review of its service delivery model. The purpose of the service delivery model project was to review the role that the Region should play in supporting the long term sustainability of the early learning and child care system, including the Region's role in the direct delivery of early learning and child care programs and services; currently provided through 12 Learn.Play.Care. (LPC) centres and other specialized community programs.

The Region engaged KPMG LLP (KPMG) to facilitate a process to support a Project Team and Steering Committee with the development of a future state service delivery model to better address the requirements of the early learning and child care system for the children and families in the Region. Specifically, the future service delivery model was developed using a framework that examined needs of children and families, system partnerships, accessibility, flexibility, quality, leadership and fiscal considerations.

Future Role and Service Delivery Model

An assessment of the current state of early learning and child care in the Region identified several strengths and challenges. The key findings from this analysis that were considered in developing a proposal for a future role and service delivery model included:

- Growing need for child care subsidy
- Growing instability of the early learning and child care system
- Inequitable investment of funding into the Region's LPC centres as compared to the funding allocated to community child care providers
- Competing roles for the Region as both the funder of the early learning and child care system, including the 12 LPC centres directly operated by the Region, and direct service provider
- Perception that the Region's 12 LPC centres receive more funding than the community child care providers
- Need for the Region to embrace a system leadership role, with a focus on building system capacity and strengthening system planning, management and advocacy – and not on the direct delivery of child care
- Important role in continuing to provide and support the system in specialized programs and services, such as special needs supports
- Opportunity to enhance system-wide supports (e.g. quality initiatives, integration, information management and outcomes measurement) to strengthen the early learning and child care system.

Following the collection and analysis of information from a variety of stakeholders and available reports, the Steering Committee proposes that the Region should adopt an increased system manager role with strengthened focus on capacity building. In this new role, the Region would transition out of the direct delivery of early learning and child care programs and services and would maintain a focused direct delivery role in special needs and specialized community programming, with a long-term goal of transitioning specialized community programs to community providers, where and when appropriate.

At a high-level, this proposed model seeks to achieve the following:

- Increase child care subsidy
- Redirect wage subsidy to the system

- Advance integration across the broader service system by working with community partners to strengthen supports that will optimize service for children and families
- Maintain a focused direct delivery role for children with special needs in community child care settings, while collaborating with other special needs agencies to develop a special needs system model
- Continue to support specialized community programs, such as evening care, infant-parent attachment and integrated nursery school, delivered in community settings.

The Steering Committee believes the proposed future model strengthens the Region’s leadership in system-wide planning, management and advocacy. This model positions the Region to leverage its resources to continue to address current and future system-wide needs and gaps, improve access to subsidized child care, support system partners and advocate for the 80% Provincial matching of the Region’s (20%) dollars for subsidy. In this revised role, the Region would focus on system stewardship to ensure the long-term sustainability of the early learning and child care system in Peel and successful outcomes for children and families.

Implementation Considerations

The timing for the transition to the new model, and, in particular, the withdrawal from the direct delivery of early learning and child care was carefully deliberated by the Project Team and Steering Committee. The Steering Committee proposes the closure of the 12 LPC centres by September 2012.

The transition to the new model takes into consideration the following key assumptions:

- Sufficient capacity exists within the system to transition all LPC children
- The Region maintains a direct delivery role in the special needs programs and services
- The Region will advocate for the 80% Provincial matching of the Region’s (20%) dollars for subsidy.

As illustrated in the diagram following, the Steering Committee has proposed a transition implementation plan that provides support to the children and families, staff and community partners.

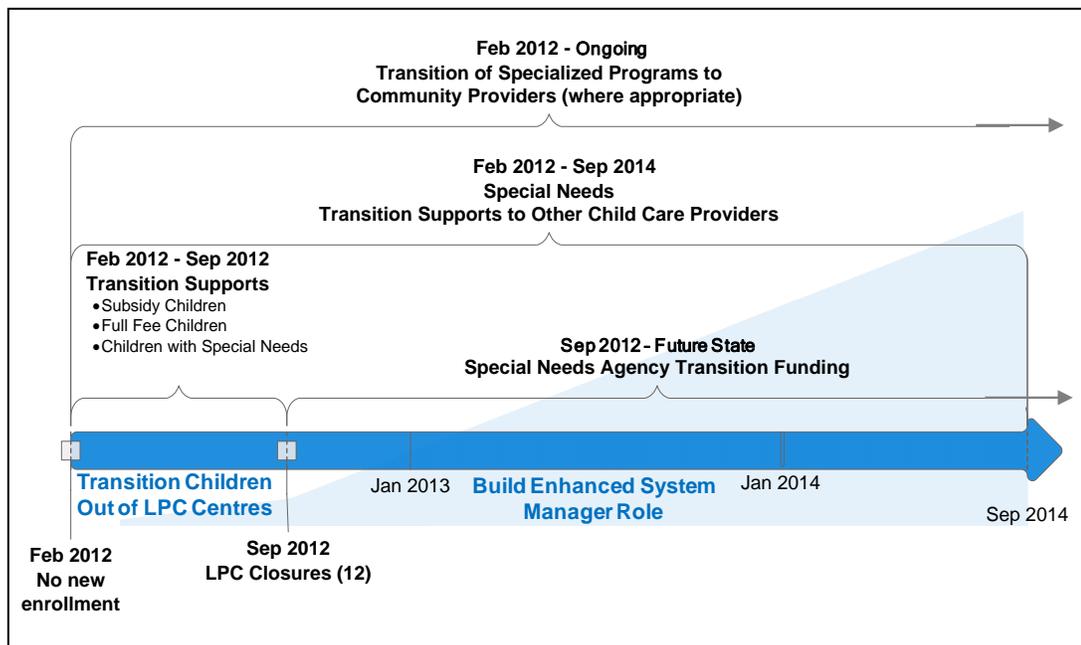


Figure 1: Transition Implementation Plan

The Project Team and members of the Steering Committee developed a detailed implementation plan to support the achievement of the September 2012 transition milestones. The implementation plan includes specific strategies to mitigate identified risks.

The following is a summary of the key supports that will be provided to LPC centre families and staff during the transition period:

- Supports will be provided to each family (full-fee and subsidy) at their LPC centre to assist in the transition of their children
- Relationships between existing Resource Teachers and special needs children will be maintained through to September 2012 and beyond
- Resource Teachers will work with families to determine needs and priorities and will negotiate new care arrangements at another child care centre
- Resource Teachers will continue to care for the children at the LPC centre. As children are transitioned to child care providers in the community, the Resource Teacher will transition to a mobile role
- Commitment to continuing the specialized community programs that are located at LPC centres - infant therapeutic program, integrated nursery school program and evening care program
- Staff reduction will be phased, but all affected employees will be provided with a range of supports and severance commensurate with their length of service.

Financial Implications

The Region conducted an analysis of the financial investment currently being made into the early learning and child care system, in particular, the Regionally-operated LPC centres and community child care providers. Based on the approved 2012 budget, the Steering Committee estimated \$13.6 million is available for reallocation to the system.

After critical reflection on current system pressures, needs and opportunities identified through this review, the Steering Committee proposes to:

- Reinvest an estimated \$10.2 million into fee subsidy
This allows the Region to support 975 children, including 582 new subsidized spaces to help address the growing waitlist for child care subsidies.
- Reinvest an estimated \$2.6 million into other service priorities and enhancements to support community providers
This allows the Region to provide additional supports to the early learning and child care system. To support the Steering Committee's decision-making process for the allocation of this estimated \$2.6 million, Region staff provided estimates and assumptions related to the future resources required within the proposed model. The Steering Committee will consider these estimates in submitting a proposal to Council regarding the allocation of the estimated \$2.6 million.
- Redirect an estimated \$0.8 million in wage subsidy from the LPC centres to community child care providers
This allows the Region to provide additional wage assistance to community child care providers.

To support the transition to the proposed model, the Steering Committee developed estimates for one-time contingent administrative expenditures of \$12.4 million.

KPMG relied on the unaudited information provided by the Region. This report contains estimates which will be predicated on future Region decisions, negotiations by the Region and other future events. Actual results achieved will vary from the information presented and the variations may be material.

Conclusion

The Steering Committee reached the conclusion that the revised role for the Region in the early learning and child care system positions the Region to provide leadership, resources and supports to a system in transformation. With a focus on capacity building, the Region will work in collaboration with partners to develop solutions to current system gaps and emerging pressures. Facilitating improvements in access, affordability and quality for all children and families in Peel are the cornerstones of the proposed model. The proposed model is designed to:

- Increase the number of subsidized child care spaces in the system by 582
- Increase wage subsidy for the system by approximately \$0.8 million
- Enhance system capacity and programming for children with special needs
- Support the transformation and overall stabilization of the early learning and child care system
- Strengthen collaborations with partners to advance system integration
- Improve the quality of early learning and child care



Introduction

This section provides a summary of project background, the Steering Committee’s project mandate and KPMG’s role.

Project Background

The early learning and child care system is undergoing a substantial transformation across Ontario. Based on research confirming the significance of early education to school preparedness and success, the Ministry of Education in Ontario announced its intent to create a full-day kindergarten program for four and five year olds in 2009. The vision is to create a “seamless and integrated” day that provides a strong foundation for children’s future learning in school, with plans to have all elementary schools offering full-day kindergarten by September 2014. (Ministry of Education, 2010) The implementation of full-day kindergarten is only one part of a broader vision to support Ontario families by creating an integrated system of services focused on families with children prenatal to 12 years-old. These integrated systems will be designed locally with the support and leadership of the 47 municipalities the Province has designated as Consolidated Municipal Service Managers (CMSM). (Region of Peel, 2011)

As a CMSM, the Region of Peel (Region) plays a key role in the evolving early learning and child care system throughout Mississauga, Brampton, and Caledon. Specifically, the Province of Ontario (Province) has defined that a CMSM has responsibility for the planning and management of the early learning and child care system. As a “system manager”, the Region’s role is to ensure the stability and long-term sustainability of the early learning and child care system for all children and families across Peel. (Human Services, 2010) Based on the *Service Description Schedule* outlining responsibilities conferred upon the Region by the Ministry of Education, the primary obligation of the Region is to “plan and manage the delivery of child care services” through “agreements with service providers” based on established outcomes. (Ministry of Education, 2010). There is no requirement for the Region in the direct delivery of child care programs and services, including regionally operated Learn.Play.Care (LPC) centres.

With the early learning and child care system in flux, the Region embarked upon several initiatives, including a review of its service delivery model, the Service Delivery Model Study. The purpose of this project was to review the Region’s role in the early learning and child care system with a view towards the long term sustainability of the overall system. In January 2011, the Region engaged KPMG to facilitate a process for this review. This report provides an overview of the current context and current state of early learning and child care within the region and documents the desired future state developed by the Steering Committee.

Steering Committee Mandate

The purpose of the Steering Committee’s project was to review the role that the Region should play in ensuring the long term sustainability of the early learning and child care system, including the Region’s role in the direct delivery of early learning and child care programs and services; currently provided through 12 LPC centres and other specialized community programs. Refer to Appendix A for a detailed overview of the Region’s current role in direct delivery.

The scope of this project included extensive stakeholder consultations, development of a data collection and analysis framework to examine the current role of the Region and identify opportunities within the early learning and child care system, and facilitation of a decision-making process to guide the project Steering Committee to determine a preferred future state option for the Region’s future role.

KPMG’s Role

Our role was to facilitate a process to support the Steering Committee.

Specifically, we facilitated:

- a process to prepare a high-level analysis of current state operations related to Region-operated services and programs
- a stakeholder consultation process that engaged internal and external stakeholders in discussions around key issues, service gaps, community needs and the future role of the Region
- a jurisdictional review to gather information regarding other service delivery models and strategies to address system challenges and proactively respond to system transformation
- the Steering Committee through an evaluation of options and a decision-making process to develop a future service delivery model based on a framework that examined needs of children and families, system partnerships, accessibility, flexibility, quality, leadership and fiscal considerations
- the documentation of the project findings and the Steering Committee's proposal related to the future service delivery model.

KPMG relied on the unaudited information provided by the Region. This report contains estimates which will be predicated on future Region decisions, negotiations by the Region and other future events. Actual results achieved will vary from the information presented and the variations may be material.

Steering Committee Project Assumptions

The following project assumptions were developed by the Region:

1. There will be fee subsidy, wage subsidy, stabilization dollars and minor capital funding to support the re-engineering of the child care service system
2. Services for children 0-3.8 years will still exist
3. Regionally-operated LPC centres will be able to adjust to the exit of four- and five-year olds to full-day early learning kindergarten
4. Day Nurseries Act will remain the same
5. Implementation of full-day kindergarten may see a shortage of Early Childhood Educators (ECEs), particularly in 2012 and 2013
6. Full-day kindergarten will continue to exist and/or be implemented
7. Corporate support and services will be aligned to enable success
8. Families with children with special needs will choose to keep their children enrolled in a LPC centre as opposed to entering the school system for full-day early learning kindergarten
9. All services/programs provided by the Region to the child care and early learning system, including direct service delivery, are within the scope of this project
10. The mandated accountabilities of a CMSM must remain in any future proposed model
11. The financial analysis of the optional models will be based on the total current investment into the child care and early learning system
12. Staff could recommend to Council the allocation of one-time dollars for transition services that may not be within the current Children's Services Operations portfolio.



Project Approach and Methodology

Process Overview

The Region defined the scope and work plan of this project. The project consisted of five phases, each of which involved close collaboration with the Core Project Team. A diagram of the project approach with a timeline and key activities within each phase follows:

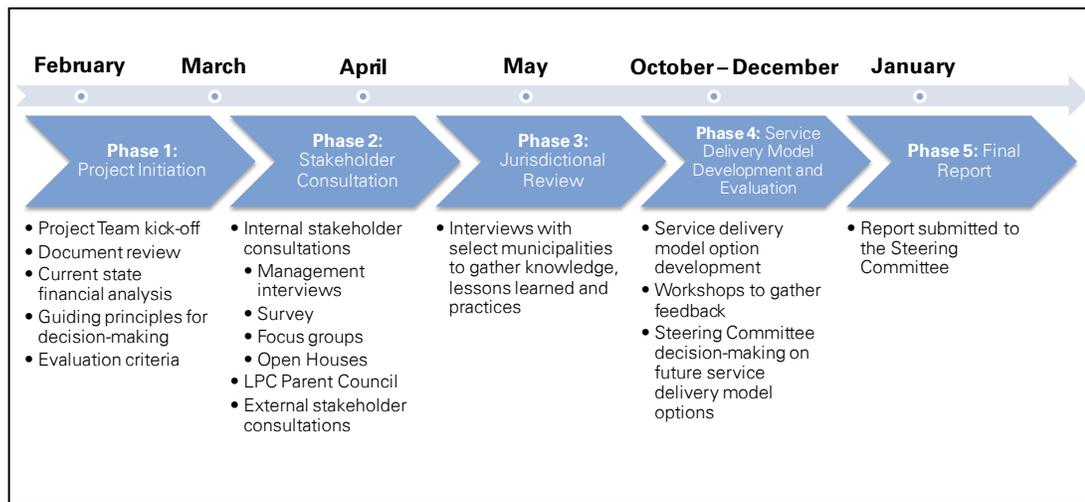


Figure 2: Service Delivery Model Project Timeline and Approach

Stakeholder Engagement

The Region committed to engaging a range of stakeholders to understand perceptions of its current strengths, challenges and potential future contributions to the early learning and child care system. Stakeholder engagement included staff, supervisors, management, as well as many partners from the early learning and child care system. It should be noted that stakeholders expressed appreciation for the Region’s dedication to the project throughout the consultation activities.

As illustrated in the figure on the next page, stakeholders were engaged in many different ways throughout the consultation process. To gather foundational input on the current state and ideas for the future, we conducted a survey, interviews and focus groups with internal stakeholders. These initial perspectives were then broadened with the engagement of the LPC Parent Council, external stakeholders and other jurisdictions. Open houses were also hosted for staff as an opportunity to react to some preliminary themes and to further provide their insights and perspectives. Finally, a series of workshops were hosted with different stakeholder groups to validate ideas and confirm their insights about possible model options for the Region, as well as discuss system benefits and risks. Refer to Appendix B for a summary of the stakeholders engaged as part of this consultation process.

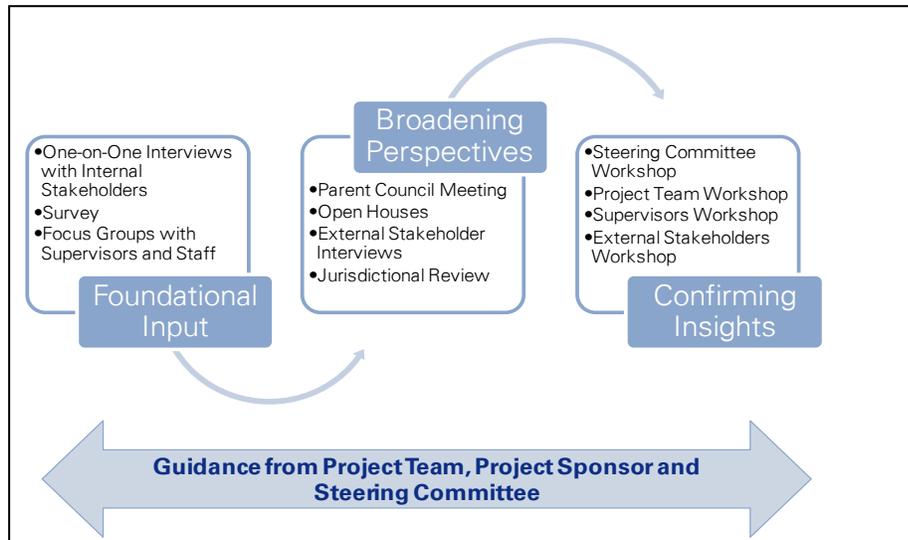


Figure 3: Stakeholder Engagement Approach

Steering Committee’s Guiding Principles and Evaluation Criteria

At the outset of this project, the Steering Committee developed Guiding Principles to direct its decision-making regarding the Region’s role in early learning and child care. The Guiding Principles served to establish a broad vision for the Region in advancing early learning outcomes and improving the school preparedness of children in the Region. The Guiding Principles are listed below:

Guiding Principles
<ul style="list-style-type: none"> • Deliver services through a holistic approach that is inclusive, accessible and child and family centered • Ensure that child and family programs are of high quality, incorporating current research and best practices and reflecting the true needs of children and families in Peel • Build community capacity to deliver high quality early learning and child care programs • Ensure flexibility and ability to proactively respond to changing community needs and trends • Ensure that the processes to integrate early learning and child care programs are fair, transparent, accountable and communicated in a timely manner • Leverage community collaboration and system partnerships effectively • Optimize financial resources to maximize the investment in the early learning and child care system.

Table 1: Guiding Principles for the Region’s Future Role in Early Learning and Child Care

Based on the Guiding Principles established by the Steering Committee, the Project Team developed Evaluation Criteria. The Evaluation Criteria were considered by the Steering Committee and Core Project Team in the development and refinement of the proposed future service delivery model. The Evaluation Criteria are listed below:

Criterion	Description
Meeting the Needs of Children & Families	Meets the needs of children and families in Peel and enables the Region to focus on solutions for current service gaps and unmet needs in the system.
System Collaboration & Partnerships	Supports the development of new and/or builds upon existing community partnerships to strengthen the service system (e.g. building community capacity, improving access, effective resource utilization).
Accessibility	Maximizes accessibility, with considerations related to family income (i.e. affordability), special needs and ethnicity.
Flexibility for Communities	Provides a range of early learning and child care options at the local level and considers the Region’s ability to adapt to the changing needs of communities.
Quality	Supports the continued delivery of high quality, outcomes-based early learning and child care services that incorporate current research and best practices.
Leadership & Innovation	Allows the Region to continue its leadership role in advancing system integration and enhancing early learning and child care services through a commitment to innovation.
Fiscal Responsibility	Demonstrates fiscal responsibility by optimizing resources to maximize system investment in high quality, cost effective early learning and child care services.

Table 2: Evaluation Criteria for Service Delivery Model



Current State Assessment

This section provides an overview of the complex challenges faced by the early learning and child care system in the Region, the mandated responsibilities of the Region as a CMSM and the current state of services within the Region.

Understanding the System

In 2009, the Ontario Government released a report, *With Our Best Future in Mind*, presenting a vision of an integrated prenatal to 12 years child and family service system. The conclusions of the report, which proposed an Early Learning Program to better prepare four- and five-year olds for success in school, spurred a Full-Day Kindergarten (FDK) initiative in Ontario. Within five years, from 2010 to 2014, the Province determined it would phase-in full-day learning across the school system to strengthen the education of future generations. Given research confirming the importance of a child's first five years in establishing a foundation for learning and success, FDK became a priority investment within a wider program of changes to set the stage for meaningful childhood development and improved social, educational, and health outcomes.

The Province is moving quickly on this initiative. As of September 2011, 20% of the Province's four- and five-year olds have enrolled in FDK. (Ministry of Education, 2011) Various stakeholders within the early learning and child care system in Peel, including school boards, community providers, families, and the Region, have expressed support and are adapting to this transformation. In Peel, an estimated 5,832 children enrolled in FDK across 50 schools over the past two years. By September 2012, it is expected that an additional 8,500 four- and five-year olds will be in FDK, or half of the total 34,000 anticipated at the completion of FDK roll-out by 2014. (Region of Peel, 2011)

Current Challenges: Stability & Accessibility

The implementation of FDK has created challenges related to system stability and accessibility of affordable child care in the Region.

System Stability

The shift to FDK has financial and operational implications for early learning and child care providers that have impacted the stability of the system in terms of its historical business models, retrofitting of space, and staffing. In the Spring of 2011, the Region held consultations with child care service providers that discussed the financial and operational impacts of FDK and system transformation. During these consultations, service providers expressed concern about the:

- Increased number of children leaving child care for FDK
- Increased number of experienced early childhood educators (ECEs) leaving to work for school boards
- Added cost and physical constraints that complicate their efforts to retrofit spaces for younger children
- Difficulty in retaining or recruiting qualified and experienced staff (Region of Peel, 2011).

Findings through surveys conducted by the Region in 2011 indicate:

- Approximately 47% of child care service providers reported that their centres would be negatively affected by system changes. (Region of Peel, 2011)
- Approximately 1,792 vacancies among licensed child care providers within the purchase of service system exist across the Region.
 - Approximately 1,124 vacancies exist in the immediate areas surrounding the 12 LPC centres (excluding licensed home care)
 - Approximately 215 vacancies exist in areas not surrounding the 12 LPC centres, but within Peel

- Approximately 453 vacancies exist among licensed home providers in Peel (Region of Peel, 2011).

The financial and operational concerns of child care providers, combined with the movements of children and ECEs out of the system, reflect an early learning and child care system in flux with increasing risk of vulnerability.

Accessibility of Affordable Child Care

Early learning advocates in Peel, such as the Peel Best Start Network and Peel Children and Youth Initiative (PCYI), have suggested that the cost of child care, lack of subsidized spaces and limited access to care (especially for infants and children with special needs) jeopardizes equitable access for all Peel residents to the early learning and child care system. Current data suggests:

- There are approximately 25,600 licensed child care spaces in Peel, across all age groups and at non-profit, commercial, and Regionally-operated centres, as well as at home child care. Regionally-operated centres account for approximately 3% of the total licensed child care spaces in Peel. (Region of Peel, 2011)
- Families pay, on average \$10,440 annually in child care costs - or over half of a low income family's net adjusted income of \$20,000. (Region of Peel, 2011)
- Approximately one in five children in Peel live in low income families. (Government of Canada, 2006)
- Approximately 4,000 of the total licensed spaces (16%) are fee subsidy spaces. (Region of Peel, 2011)
- The current waitlist for fee subsidy exceeds 4,000 and families may wait a minimum of 12 months before being offered fee subsidy. (Region of Peel, 2011)
- As of December 2011, there are over 200 children with special needs waiting for support from a special needs resource agency. (Region of Peel, 2011)

With no additional fee subsidy funding available and a growing demand by families, the accessibility of affordable child care options in Peel will be an increasing challenge.

Current Role for the Region of Peel

The child care landscape in the Region consists of many different types of providers serving diverse families in an environment of increasing fiscal constraint. The Region has invested in the early learning and child care system with the aim to cultivate a system of high-quality and affordable child care and early learning for its residents. The Region reports that there are approximately 25,600 licensed spaces across 445 licensed non-profit and commercial child care sites. With support from the province, community partners and taxpayers, the Region has undertaken a multi-dimensional role in the early learning and child care system. At a high-level, the Region:

- Maintains Purchase of Service agreements with approximately 147 service providers to provide approximately 4,000 fee subsidy spaces to approximately 327 sites
 - This Purchase of Service "system" (i.e. 147 service providers) is comprised of 17,000 spaces at non-profit and commercial centres and 1,800 home-based spaces
- Provides wage subsidy to 100 sites, with 64 sites receiving both fee and wage subsidy
- Participates in a number of system planning tables
- Supports and funds collaborative initiatives with community partners
- Operates early learning and child care programs and services, including 12 LPC centres, special needs support and programming and other community-based programs. (Region of Peel, 2011) Refer to Appendix A for a detailed overview of the Region's current role in direct delivery.

Mandated Role versus the Evolved Role

As a CMSM, the Region is mandated to manage a range of human services at the local level, including Ontario Works, Social Housing, and Child Care. In 1998, when the government made amendments to the *Day Nurseries Act*, through the *Services Improvement Act*, additional funding and other responsibilities for child care services were transferred from the Province to local governments. In particular, CMSMs were delegated responsibilities for:

- Special needs resourcing; CMSMs were to provide assistance for staffing, equipment, supplies or services to support the inclusion of children with special needs in child care. Special needs resourcing was formally split between the province (80%) and municipalities (20%)
- Fee assistance; CMSMs were to administer provincially-determined financial tests for fee subsidy. At least 20% of approved costs of fee subsidies were to be paid through CMSMs directly to non-profit and commercial service providers.
- Wage assistance; 20% of funding for wage subsidies was to be paid by local governments
- Data collection and system monitoring; local governments were to collaborate with the Ministry to collect local program delivery and centralized performance-related data. (Childcarecanada.org)

In terms of child care delivery, however, the CMSM mandate leaves open a variety of possibilities to local government (Municipal Provincial Working Group, 2000):

- Direct delivery of licensed formal child care through a municipally-operated centre or home day care agency that approves and monitors individual providers in their homes
- Purchase of Service agreements with licensed child care centres or private home day care agencies (non-profit or for-profit)
- Supporting parents using the informal sector (neighbours, relatives, etc.) through Ontario Works.

According to the *Service Description Schedule* initiated in 2010 between the Region and the Province, the Province expects the Region to “plan and manage the delivery of child care services within provincial legislation, regulations, standards, politics and guidelines”; it also expects the Region to “enter into agreements with service providers for the delivery of child care services” to “[achieve] agreed-to outcomes and [respect] fair treatment to all service providers.” (Ministry of Education, 2010)

The Region has evolved its role as a CMSM for the early learning and child care system to include more responsibilities than its legislated mandate. The Region’s role in early learning includes its efforts in system planning, management, quality assurance and direct delivery, as articulated in *Peel’s Child Care Service Plan, 2010-2011*. The Region upholds a mandate to “plan and manage the delivery of child care services” and “develop local child care service plans with community partners” to promote integrated community services aligned with provincial policies. (Ministry of Education, 2010) Presently, the Region operates 12 LPC centres and a variety of specialized community programs, and carries out other planning and management duties. The table on the next page summarizes the current scope of the Region’s role in early learning and child care.

System Planning	System Management	Quality Assurance	Direct Delivery
<p>Improving equitable access to child care services through:</p> <ul style="list-style-type: none"> •Service System Planning •Capital Development •Co-ordination of planning activities with other municipal divisions and non-government organizations •Support for service delivery, planning and advocacy •Placement of eligible clients in accordance to principles of equity 	<ul style="list-style-type: none"> •Determines eligibility, financial assessment and placement of subsidized clients •Payments to service providers on behalf of subsidized clients •Support to children with special needs attending child care programs •Funding of wage subsidies for programs providing child care services 	<p>Promoting and ensuring quality child care services through the:</p> <ul style="list-style-type: none"> •Completion of Operating Criteria for licensed child care centres and licensed home child care •Partner with the community in the delivery of the Raising the Bar in Peel program •On-going training opportunities for early learning and child care providers •Maintenance of a Serious Occurrence Reporting System 	<p>Municipal Child Care Services</p> <ul style="list-style-type: none"> •Operating 12 child care centres in Peel •Setting priorities to address the child care needs of the Region's youngest and most vulnerable children •Planning and delivery of services following the principles of the Human Services plan

Table 3: Description of the Region of Peel's Current Role in Early Learning and Child Care (Human Services, 2010)

Current State Financial Analysis

In order to conduct a current state financial analysis of the Peel's early learning and child care system, the Region provided data to examine the following cost elements: allocation of the property tax base, cost per day, wage subsidy allocation and fee subsidy allocation. The following is a summary of the analysis:

- *Allocation of the Property Tax Base* – Based on the approved 2012 budget, total gross expenditures for the early learning and child care system are estimated to be \$81.1 million. The LPC centres represent approximately 20% (approximately \$16.4 million) of the total early learning and child care expenditure (refer to Appendix C for an overview of the 2012 early learning and child care budget). To support the care of the 756 children in the LPC centres, the Region is investing approximately \$6.9 million from the property tax base (approximately 42% of total LPC centre expenditure). Whereas, to support the 3,607 fee subsidy spaces in the Purchase of Service system (approximately 5 times the children in the LPC centres), the Region invests approximately \$8.0 million from the property tax base.
- *Cost per Day* – With a total budgeted expenditure of approximately \$16.4 million, the average daily rate for LPC centres is approximately \$83 (assuming 756 children, 261 days a year) as compared to an average daily rate of \$40 for Purchase of Service child care providers (Region of Peel, 2012). The analysis indicates that the full-fee parents in the LPC centres are being indirectly subsidized by the tax base.
- *Wage Subsidy Allocation* – As illustrated in Figure 4 on the next page, the LPC centres are allocated approximately \$6.0 million in provincial subsidy. This subsidy allocation to the LPC centres is a mix of 80% fee subsidy funding (whereby the Region must contribute its 20% cost share), 100% fee subsidy and 80% wage subsidy (whereby the Region must contribute its 20% share). From a system point of view, the approximately \$0.6 million allocation in Provincial wage subsidy could be perceived as an inequitable allocation to the Region, especially given the reported wage gap between Region LPC centre staff and community child care providers.

LPC Centre Subsidy Mix (2012 Budgeted Subsidy in \$ Millions)

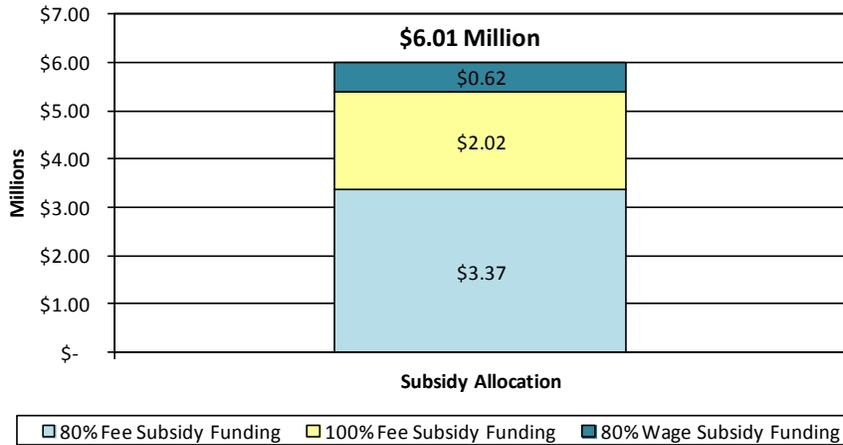


Figure 4: LPC Centre Subsidy Mix (Source: Region of Peel, Service Level Financial Review Presentation, January 2012)

- Fee Subsidy Allocation** – As illustrated in the figure below, if the LPC centres were held to the same subsidy criterion as external centres, the fair allocation of fee subsidy would be \$40 per day. Assuming 393 subsidy children in the LPC centres, this fair allocation of subsidy totals approximately \$3.3 million, leaving approximately \$2.7 million in funding over-allocation. Based on the total current funding allocation of 80% fee subsidy (approximately \$3.4 million Province, \$0.8 million Peel) and 100% fee subsidy (approximately \$2.0 million Province), a fair allocation of funds would result in the creation of 596 subsidized spaces – an increase of 203 subsidized spaces.

**LPC Centre Subsidy Allocation:
How Much of LPC Centre Costs should be Subsidized if LPC Centres are Held to the Same Subsidy Criterion as External Centres?**

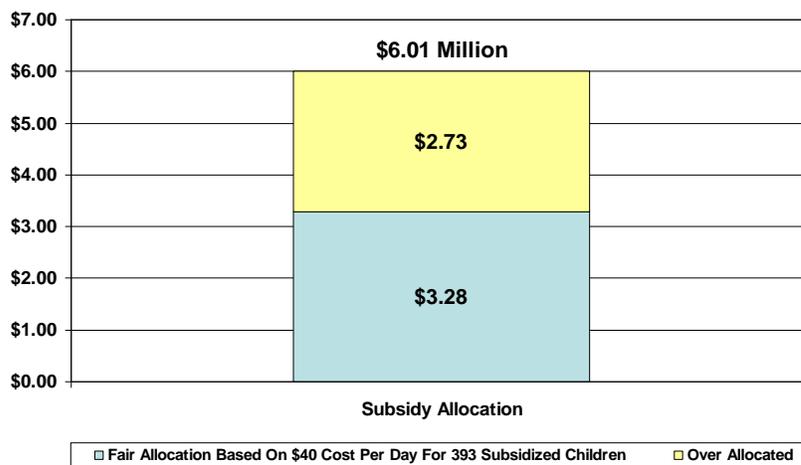


Figure 5: LPC Centre Subsidy Allocation (Source: Region of Peel, Service Level Financial Review Presentation, January 2012)

Based on this current state financial analysis, the Region recognizes that the LPC centre operating costs (as compared to the costs of community providers) is contributing to an overinvestment of funding in the LPC centres from both the property tax base and provincial subsidy. A re-allocation of provincial subsidy and Regional funding represents an opportunity to create additional subsidy spaces in the system to support children and families in need.



Summary of Stakeholder Consultations & Jurisdictional Review

Stakeholder Consultations: Role of the Region of Peel

The stakeholder consultation process was designed to gather insights and perspectives on the strengths, challenges and opportunities related to the Region’s role in the early learning and child care system. Over 420 stakeholders from the Region’s leadership, staff, community partners, and parents were engaged from February 2011 to May 2011. These consultations were considered in the development of the future state service delivery model.

Specifically, the consultations were focused on gathering input related to the following:

- *Examining the Current Role:* What are the strengths and challenges of the Region in its current role as system manager and as a service provider in the delivery of child care programs and services?
- *Exploring Future Possibilities:* In an evolving early learning and child care system, what is the best role for the Region? What opportunities should the Region be considering as part of its future role in the system?

A summary of the key themes from the stakeholder consultations is provided in the following sections.

Examining the Current Role: Strengths and Challenges of the Region

An overview of the stakeholder consultation findings related to the strengths and challenges of the Region’s current role is outlined in the table below. One of the core strengths that the Region brings to its current role is a commitment to engaging system partners. Many stakeholders commented that the Region has good relationships with diverse system partners and continues to engage its partners in many different system-focused initiatives. However, the majority of the strengths identified by stakeholders focus on the Region’s role in the direct delivery of child care programs and services, with a particular emphasis on the many strengths of the Region’s LPC centres.

Strengths	Challenges
<ul style="list-style-type: none"> • Good relationships with community partners • Delivery of high quality child care and early learning programs • Highly qualified and trained staff • Role model for inclusion and special needs education • Evidence-based curriculum; continuous assessment through proactive research and evaluation • Family-centred approach to programming • Innovative services designed to meet gaps and local needs. 	<ul style="list-style-type: none"> • Limited fee and wage subsidies • Wait list for fee subsidy • Perceived competing roles as a funder and direct service provider • Advocacy gap in the early learning and child care system • High cost of maintaining the LPC centres • System cost increases without additional funding/revenue • Key system gaps for infants and children with special needs • Insufficient outreach to vulnerable groups • Partnerships are under-utilized, leading to possible duplication in services • Too much focus on process and not outcome measurement • Advancing the quality of the early learning and child care system.

Table 4: Overview of Themes - Strengths and Challenges of the Region of Peel

Among stakeholders, the Region is valued for operating high-quality child care centres that approach early learning with a holistic view of the child. Stakeholders believe that this family-centred programming model allows the LPC centres to offer a nurturing, safe and stimulating learning environment for children and their families. This model is further strengthened by the Region's long-time commitment to High Scope, an evidence-based curriculum, and its ability to develop programs at the centres that respond to needs (e.g. Snack-to-Go program). However, stakeholders strongly agree that it is the collective knowledge, passion and dedication of the LPC centre staff that truly create an excellent learning environment for children.

Stakeholders also agree that the Region is a role model for inclusion and the education of children with special needs. The LPC centres offer a model of inclusion and early identification that is supported by the leadership of an on-site special needs Resource Teacher. Stakeholder also commented that the Region's leadership in special needs extends beyond the LPC centres to include other unique programs (e.g. therapeutic program for infants and parents to strengthen attachment) as well as community-based programs (e.g. integrated nursery school, child care programs at shelters).

A review of the many challenges shared by stakeholders reveals a shift in thinking – from a focus on the Region's direct delivery role to a heightened focus on its system manager role. Stakeholders agree that, as a system manager, the Region must work to address the growing issues of affordability, accessibility, quality and sustainability of the early learning and child care system in Peel. Stakeholders believe that the lack of available fee subsidy, coupled with an increasing waitlist, represents a significant challenge for the Region in ensuring that families have affordable child care options. Accessibility is another challenge raised by stakeholders – there are many program and service gaps in the current system, especially gaps related to infant care and care for children with special needs. Stakeholders also commented that system quality needs to be a continued focus and additional efforts placed in "raising the quality bar" for all child care providers. Finally, stakeholders expressed concern regarding the challenge of system sustainability. As a system manager, stakeholder emphasized that the Region must pay attention to the impacts of FDK implementation and the instability being created in the system – costs are increasing, resources are scarce, strong advocacy is not present and partnerships are being under-utilized.

Finally, the majority of external stakeholders, and some internal stakeholders, shared a common challenge regarding the Region's role in the direct delivery of child care. For internal stakeholders, there is awareness of the high operating costs associated with the 12 LPC centres. However, the strongest concern raised by stakeholders regarding the Region's role in direct delivery was focus on the perceived inequity in being both funder and service provider. For external stakeholders, the Region has competing roles in the system that, for some, create an inherent risk of inequitable treatment and a lack of trust.

Exploring Future Possibilities: Role Ideas for the Region to Consider

An overview of the stakeholder consultation findings related to the ideas for the Region's future role is outlined in the table on the following page. Based on the many different perspectives shared by stakeholders, themes have been grouped into two categories - ideas that the Region could explore as part of a direct delivery role and those it could explore as part of its system manager role.

Ideas related to Direct Delivery Role	Ideas related to System Manager Role
<ul style="list-style-type: none"> ● Enhance role in supporting special needs and specialized services in the system (e.g. mobile teams of Region of Peel resource teachers supporting children with special needs in the community) ● Expand the age group for LPC centre programming (i.e. infant care and before- and after-school care) ● Extend program hours of operation to accommodate families working late-night shifts and weekends ● Transform LPC centres into community hubs – i.e. gathering place for local communities, offering a range of services, could be operated 7 days/week, evenings ● Evolve LPC centres into training grounds that provide mentoring and education opportunities for other community providers (e.g. staff exchanges) ● Expand specialized programming, (such as literacy programs, nursery school, VIPP, etc.) to meet specific community needs ● Transform LPC centres in to “demonstration sites” focused on research and development of best practices to benefit the entire system ● Provide transportation to schools and other community programs. 	<ul style="list-style-type: none"> ● Invest more dollars in fee subsidy ● Provide/support training and development opportunities for child care providers in the community ● Facilitate/support the development of local, community hubs ● Increase quality assurance efforts and enhance role in quality improvement for the system ● Strengthen the system in the care of children with special needs (e.g. supporting the development of inclusive environments, training and funding opportunities) ● Transition out of the direct delivery role and focus on system needs and advancing quality ● Make additional investments in Raising the Bar program ● Provide supports to strengthen transitions to school system and enhance partnership with the school boards ● Provide system leadership in facilitating integration and alignment (e.g. mechanisms to encourage “system” behaviour, system-wide strategic planning, supporting integration initiatives) ● Develop capacity to share expertise and resources for children with special needs across the system (e.g. guidelines, training and funding mechanisms to help community providers provide high quality education for children for special needs) ● Seek to optimize its partnerships both internally (e.g. Health Department) and externally with community partners ● Take on a greater system advocacy role ● Provide leadership in system data collection, analysis and outcomes measurement.

Table 5: Summary of Themes - Future Role Ideas from Stakeholder Consultations

Many of the ideas related to a future direct delivery role were shared mostly by stakeholders that are either directly providing or receiving services at the LPC centres. For this group of stakeholders, the ideas focused on filling system gaps and leveraging the LPC centres as a resource for the system. Many internal stakeholders believe that the Region has the opportunity (and resources) to address gaps in the system, including infant care, care for children with special needs, before- and after- school care, evening care and transportation supports. Other stakeholders, including some community partners, shared different ideas related to transforming the traditional LPC centre into a more system-focused enterprise. Ideas included: demonstration sites for research and teaching, training hubs for new and experienced professionals, and integrated community hubs with neighbourhood-based programs and services.

The ideas raised by stakeholders related to a future system manager role were strongly grounded in the perspective that the Region must take a leadership role in providing stewardship to the entire system. For many stakeholders, especially external stakeholders, the ideas shared are focused on having the greatest impact on the most pressing issues for the early learning and child care system. Stakeholders suggested that more fee subsidy dollars be invested in the system and that the Region take a strong leadership role in advocating to policy and decision-makers. Stakeholders expressed that the Region focus efforts on facilitating or supporting system-wide enhancements, including quality initiatives, training and development, special needs model and integration opportunities. The majority of stakeholders recognize that the Region is well positioned, with the knowledge, skills and resources, to provide stronger leadership in the planning and management of the overall system. For many external stakeholders, and some internal stakeholders, the successful fulfillment of this future system manager role require a sole focus on the system – and a transition out of the direct delivery of child care.

Jurisdictional Review: Understanding Other Models

Jurisdictional interviews were conducted with three municipalities: City of Windsor, City of London and Region of Durham. These jurisdictions were chosen by the Region based on several factors that were designed to balance comparability with an interest in understanding the strengths and challenges associated with different service delivery models. All interviews were conducted by telephone and information has been generalized into themes and messages. The following sections highlight jurisdictional review feedback into four categories:

- Model Overviews
- System Strengths
- System Challenges
- Drivers of Change

Model Overviews

Durham Region operates a select number of child care centres and nursery schools in locations that are unable to sustain private operations. The Region also operates services for children with special needs. Durham holds service contracts with most commercial operators in the region, which is a unique feature.

The City of London does not operate any centres directly; it utilizes a network of partnerships with direct providers of childcare and special needs services. The City has evolved its role over time in order to address system changes.

The City of Windsor closed all municipally operated child care centres in September 2010. At the time there was sufficient capacity in the system to absorb the municipal spaces and waitlists were not an issue. The City now manages the system through purchase of service contracts with private providers.

All three jurisdictions strongly believed that their role is primarily to manage the system and ensure that service levels address the needs of their communities. These regions had a significant focus placed on system level planning and strategy. In cases where child care services were provided directly, this situation was only considered necessary due to lack of other options for children and families in specific communities.

System Strengths

In one case where funds were reallocated from directly operated municipal centres to third party providers, significant efficiencies were achieved. In fact, 2-2.5 times more child care spaces were available through purchase of service agreements than via direct delivery. This also helped relieve significant, and increasing, funding pressures.

Two municipalities with experience in mixed model systems described the perception of inequity between municipally operated centres and purchase of service providers. By eliminating the dual role of both funder and provider, municipalities have been able to build stronger trust amongst their partners/providers and avoid the appearance of a two-tiered system. One municipality reported that the community is confident that it is working in the best interest of the system by focusing on its management role. Related to this, is that resources are able to be redirected more efficiently to increase overall system quality, rather than maximize quality in a very few centres.

System Challenges

The implementation of FDK will add extra pressure in terms of sustainability for operators, while maintaining affordability. As FDK capacity continues to ramp up, the system may continue to struggle with balancing service availability and affordability. The 0-3.8 system and infant and toddler care present similar economic challenges due to their higher inherent cost structure. It will be important for municipalities to focus on system stability during the ongoing transition to FDK.

The introduction of FDK will also increase demand for human resources creating increased competition between child care operators and School Boards for ECEs. All jurisdictions identified future ECE recruitment as a pending challenge.

Some geographical challenges will also persist, notably in Durham, where low density communities lack the concentrated population to sustain centre-based child care.

Drivers of Change

Increased pressure to reduce costs and/or increase efficiency was a key driver. In one case, persistently rising costs of direct delivery, and significant efficiencies to be gained from contracting with community providers, provided a solid business rationale for the exit from direct delivery.

Municipalities also recognized the value they were uniquely able to bring with regard to system optimization, planning and stabilization (particularly due to the introduction of FDK). As the designated CMSM, a focus on system management and planning was prominent.

Ultimately, municipalities showed a willingness to change and evolve their role that put the interests of the system first and foremost. As the needs and circumstances of the system changed (e.g. funding pressure, FDK, lack/excess of local capacity, etc.) the municipalities evolved their roles accordingly.

Summary

The following points summarize perspectives from the other municipalities for consideration by the Region when evaluating its future role:

- A shift away from direct delivery and towards higher-level system management is seen as high value-add
 - System management includes functions such as long-term planning, system stabilization, quality management, etc.
 - Municipalities can impact the system to a greater degree as system managers vs. operators
 - Increased level of trust and transparency between municipality and system operators

- ECE recruitment will be an emerging challenge due to FDK demand
- Systems are at risk of destabilizing due to flow of children out of child care centres and into the school system for FDK.



Proposed Future Role and Service Delivery Model

In order to contribute to the long term sustainability of the early learning and child care system as it relates to the Region's role, the Steering Committee considered the following factors in developing the future service delivery model:

- Provincial mandate and legislated requirements for CMSMs
- The demand and capacity for services and programs
- The current funding model and financial options to improve system stability, affordability and accessibility
- Practices and experiences from three municipalities
- Perspectives from a diverse range of stakeholders
- Assumptions, guiding principles and evaluation criteria.

An assessment of the current state of early learning and child care in the Region identified several strengths and challenges. The key observations from this analysis that were considered in developing a proposal for a future role and service delivery model included:

- Growing need for child care subsidy
- Growing instability of the early learning and child care system
- Inequitable investment of funding into the Region's LPC centres as compared to the funding allocated to community child care providers
- Competing roles for the Region as both the funder of the early learning and childcare system, including the 12 LPC centres directly operated by the Region, and direct service provider
- Perception that the Region's 12 LPC centres receive more funding than the community child care providers
- Need for the Region to embrace a system leadership role, with a focus on building system capacity and strengthening system planning, management and advocacy – and not on the direct delivery of child care
- Important role in continuing to provide and support the system in specialized programs and services, such as special needs supports
- Opportunity to enhance system-wide supports (e.g. quality initiatives, integration, information management and outcomes measurement) to strengthen the early learning and child care system.

Following the collection and analysis of information from a variety of stakeholders and available reports, the Steering Committee has developed the following proposal for Council's consideration: The Region should adopt an increased system manager role with strengthened focus on capacity building. In this new role, the Region would transition out of the direct delivery of early learning and child care programs and services and would maintain a focused direct delivery role in special needs and specialized community programming, with a long-term goal of transitioning specialized community programs to community providers, where and when appropriate. The following graphic depicts the proposed model:

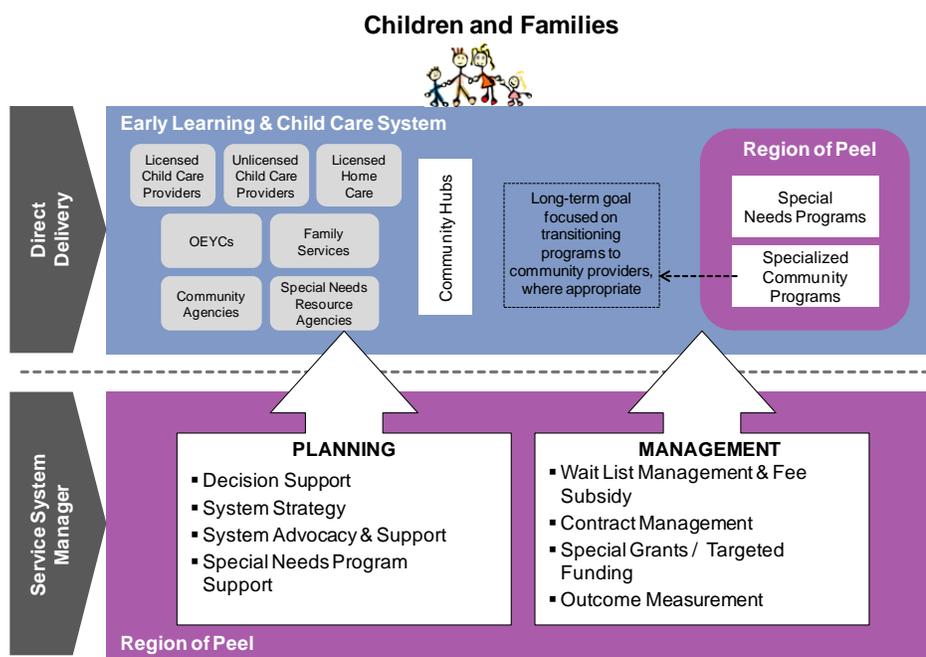


Figure 6: Proposed Model

At a high-level, this proposed model seeks to achieve the following:

- Increase child care subsidy
- Redirect wage subsidy to the system
- Advance integration across the broader service system by working with community partners to strengthen supports that will optimize service for children and families
- Maintain a focused direct delivery role for children with special needs in community child care settings, while collaborating with other special needs agencies to develop a special needs system model
- Continue to support specialized community programs, such as evening care, infant-parent attachment and integrated nursery school, delivered in community settings.

The Steering Committee further defined the Region’s role as it relates to direct delivery, system planning and system management.

Direct Delivery Role	
Special Needs Programs	<ul style="list-style-type: none"> • As part of the support offered to the system, the Region will directly deliver special needs programs • Opportunities to be explored in collaboration with community partners and special needs experts include, but are not limited to: <ul style="list-style-type: none"> - Mobile team of Region of Peel Resource Teachers (i.e. each with a caseload of children with special needs) - Intervention program for children with significant special needs. <p><i>Note: The programs will be further defined, in collaboration with partners, through the development of a Special Needs System Model</i></p>

Direct Delivery Role (cont'd)	
Specialized Community Programs	<ul style="list-style-type: none"> ● It is the Region's long-term goal to transition specialized community programs to community providers, where and when appropriate ● The current portfolio of specialized community programs includes the following areas of focus: <ul style="list-style-type: none"> - Infant-Parent Attachment Support - Family Literacy - Early Literacy - Positive Parenting - Children's Drop-in Program in Family Shelters - Nursery School - Evening Care ● The ongoing evaluation associated with determining "appropriateness" for program transfer to the community will be based on a number of factors, including identified mandate/expertise and ability to deliver the high-need, high-value programs ● The Region may choose to deliver new specialized programs when a significant gap has been identified by the community and no other agencies are positioned to address the issue
System Manager Role	
Planning	
Special Needs Program Support	<ul style="list-style-type: none"> ● A team of expert <i>Special Needs Program Advisors</i> provide support to child care providers and other community-based agencies/system partners ● Supports may include: <ul style="list-style-type: none"> - Implementation of inclusion policy - Development of special needs programs - Ongoing management of special needs programs - Consultation with community providers. <p><i>Note: This function will be further defined, in collaboration with partners, through the development of a Special Needs System Model.</i></p>
System Strategy	<ul style="list-style-type: none"> ● The Region recognizes that the future strategy for the early learning and child care system will involve significant <i>transformation</i> that will require <i>integration</i> across multiple and complex stakeholder groups ● <u>Integration</u>: Peel recognizes that integration will be a prominent underpinning to the future of the system <ul style="list-style-type: none"> - Peel will provide leadership in the continued development of neighbourhood-based "community hubs" (a physical and/or virtual space where multiple programs and services can be accessed) - Peel facilitates the integrated access to services for families (child care programs, parenting programs, special needs programs, Ontario Works, Public Health, etc.).

Planning (Cont'd)	
System Strategy (Cont'd)	<ul style="list-style-type: none"> - To support system integration at the neighbourhood-level, the Region may explore the opportunity to transform a decommissioned LPC site into a vibrant “community hub” offering core Regional programs and services (Human Services and Health Services), but also offering unique/flexible programs and services that are driven by community need • <u>Transformation</u>: Peel works closely with system partners to support the transitions required within the evolving system <ul style="list-style-type: none"> - Peel offers both knowledge and resources (e.g. guidance on business model changes, brokering discussions between system partners, financial support).
System Advocacy & Support	<ul style="list-style-type: none"> • The Region provides strong leadership as a “system advocate” in key program and policy areas. Core activities may include: <ul style="list-style-type: none"> - Developing position papers and reports to influence key decision-makers - not only the Ministry of Education, but <u>all</u> system partners - Focusing on funding and sustainability of the system • The Region provides support to the enhancement of system quality and sustainability through involvement in quality improvement programs (e.g. Raising the Bar) and training and professional development initiatives, including, but not limited to: <ul style="list-style-type: none"> - Supporting the design and implementation of professional development programs in collaboration with partners (e.g. Ministry of Education) - Delivering workshops in areas of subject matter expertise (e.g. special needs, quality programming) • The Region proactively positions Peel for innovative provincial pilots as the Province assumes a stronger role in quality assurance.
Decision Support	<ul style="list-style-type: none"> • The Region is a “knowledge centre” for system partners to support informed decision-making at all levels • The Decision Support function: <ul style="list-style-type: none"> - Invests in data gathering and management systems in order to provide a valuable source of data and information to support partners and other system stakeholders - Develops and maintains a comprehensive data repository that can be accessed by system partners (i.e. data warehouse) - Supports the identification of emerging community needs and trends to ensure issues and/or opportunities are addressed with the most appropriate solutions.
Management	
Wait List Management & Fee Subsidy	<ul style="list-style-type: none"> • The Region will modernize its systems and approach to wait list management to enhance efficiencies and effectiveness to benefit families, providers and the Region • The Region will create additional fee subsidy spaces by reallocating funds (i.e. in addition to its mandated cost sharing agreement with the Province).

Management (Cont'd)	
Contract Management	<ul style="list-style-type: none"> • The Region holds system partners accountable for the quality requirements identified within Purchase of Service agreements <ul style="list-style-type: none"> - Additional resources are dedicated to the ongoing monitoring of quality standards (i.e. Operating Criteria) throughout the Purchase of Service system • The Region will strengthen the contracts and agreements with system partners <ul style="list-style-type: none"> - Leverage contractual agreements to influence decisions of system partners by incorporating new provisions (e.g. inclusion policy, wage requirements, participation in training and development opportunities).
Special Grants/ Targeted Funding	<ul style="list-style-type: none"> • The Region will provide increased financial support for system improvement through special grants/targeted funding • Supports to community partners stabilize and/or enhance programs and services to help address key system needs and gaps (e.g. infant care, special needs) • Opportunities may include: <ul style="list-style-type: none"> - Targeted funding to community providers who develop new or continue programming in areas of high need - Seed funding for innovative programs/services for families and children - Special grants to enhance inclusion across the system.
Outcome Measurement	<ul style="list-style-type: none"> • The Region will be a leader in monitoring and evaluating outcomes across the system • Commitment to results-based monitoring and evaluation of the system <ul style="list-style-type: none"> - Working with system partners to collect data on access and quality of the early learning and child care system (including evaluation and outcomes linked to training and development opportunities) - Collaborating with the province and other jurisdictions to benchmark Peel's progress and performance.

Table 6: Proposed Model Description

The following framework was used to support the development of the proposed future model for the Region.

Criterion	Alignment
Meeting the Needs of Children & Families: Meets the needs of children and families in Peel and enables the Region of Peel to focus on solutions for current service gaps and unmet needs in the system.	<ul style="list-style-type: none"> • Provides opportunity to redirect funds for the creation of additional subsidized child care spaces and to support community partners with system improvements • Strengthens focus on special needs in collaboration with community partners, through the development of a Special Needs System Model • Enhances role in data gathering and trend analysis to identify needs and gaps and system-wide solutions.

Criterion	Alignment
<p>System Collaboration & Partnerships: Supports the development of new and/or builds upon existing community partnerships to strengthen the service system (e.g. building community capacity, improving access, effective resource utilization).</p>	<ul style="list-style-type: none"> ● Builds capacity of system to adapt to changes in early learning and child care ● Guides the system in continuous improvement through monitoring and evaluating outcomes ● Strengthens system-wide collaborations and supports to partners (e.g. quality improvement initiatives, special needs model development, training supports, information management) ● Increases the stability of the system through the transfer of LPC children and specialized community programs and services.
<p>Accessibility: Maximizes accessibility, with considerations related to family income (i.e. affordability), special needs and ethnicity.</p>	<ul style="list-style-type: none"> ● Provides the opportunity to increase the number of subsidized child care spaces in the system ● Builds on Region’s special needs expertise to develop a system-wide model and enhanced programming and services for children with special needs ● Ensures the current portfolio of specialized community programs will continue to be offered to children and families in Peel ● Provides the ability for the Region to enhance programs and services to help address key system accessibility gaps (e.g. infant care, special needs, before- and after-school care, evening care) ● Provides opportunity to build stronger relationships with community groups, such as faith-based and ethnic organizations, through an enhanced focus on neighbourhood-based solutions (i.e. integration through community hubs).
<p>Flexibility for Communities: Provides a range of early learning and child care options at the local level and considers the Region of Peel’s ability to adapt to the changing needs of communities.</p>	<ul style="list-style-type: none"> ● Enhances the stability of the system; thereby supporting the availability to early learning and child care options at the local level ● Allows the Region to focus on system strategy at the local-level and, in working with partners, identify and adapt to changing needs (response to changing needs may include, but not be limited to, additional supports to providers, the Region developing new specialized program to be operated by the Region or a community provider).
<p>Quality: Supports the continued delivery of high quality, outcomes-based early learning and child care services that incorporate current research and best practices.</p>	<ul style="list-style-type: none"> ● Guides the system in continuous improvement through monitoring and evaluating outcomes ● Strengthens collaboration with key system partners to support quality improvement and training and development initiatives ● Positions the Region to support the development and roll-out (e.g. pilot projects) of the new provincial quality assurance agenda being developed by the Ministry of Education for early learning and child care.

Criterion	Alignment
<p>Leadership & Innovation: Allows the Region of Peel to continue its leadership role in advancing system integration and enhancing early learning and child care services through a commitment to innovation.</p>	<ul style="list-style-type: none"> • Strengthens overall system leadership in planning, management and advocacy • Positions the Region to facilitate and support partners in advancing current and creating new system integration opportunities • Strengthens the ability of the Region to provide resources to support innovative programs and services for children and families • Allows the Region to work in partnership with the community in developing innovative programs and services that optimize system expertise and resources.
<p>Fiscal Responsibility: Demonstrates fiscal responsibility by optimizing resources to maximize system investment in high quality, cost effective early learning and child care services.</p>	<ul style="list-style-type: none"> • Realignment of funds will result in increased investment for fee subsidy and system planning and management which will assist the early learning and child care system respond to system pressures and transformation • Positions the Region to strongly advocate for the 80% provincial matching of Region 20% dollars for subsidy, which would ensure the long-term sustainability of the early learning and child care system in Peel.

Table 7: Summary of Alignment to Evaluation Framework

The proposed future model strengthens the Region’s leadership in system-wide planning, management and advocacy. This model is designed to position the Region to leverage its resources to continue to address current and future system-wide needs and gaps, improve access to subsidized child care, support system partners and advocate for additional subsidy from the Province. In this revised role, the Region would focus on system stewardship to support the long-term sustainability of the early learning and child care system in Peel and successful outcomes for children and families.



Implementation Considerations

Proposed Transition Approach

The timing for the transition to the new model, and, in particular, the withdrawal from the direct delivery of early learning and child care was carefully deliberated by the Project Team and Steering Committee. Consideration was given to the transition impacts for children and families, Regional staff and the capacity of purchase of service child care providers to enroll LPC centre children. Based on these considerations, the Steering Committee decided that the closure of the 12 LPC centres will occur by September 2012.

As illustrated in the diagram below, the Steering Committee has recommended a transition implementation plan that provides transition supports to subsidy children, full-fee children and children with special needs. To support the transition of children with special needs and, at the same time, build community capacity, additional supports are being provided to purchase of service child care providers and special needs agencies. First, special needs transition supports will be available for purchase of service child care providers that enroll children with special needs from the LPC centres. Second, additional special needs agency funding will be allocated to increase staffing (and service levels) for agencies in the community.

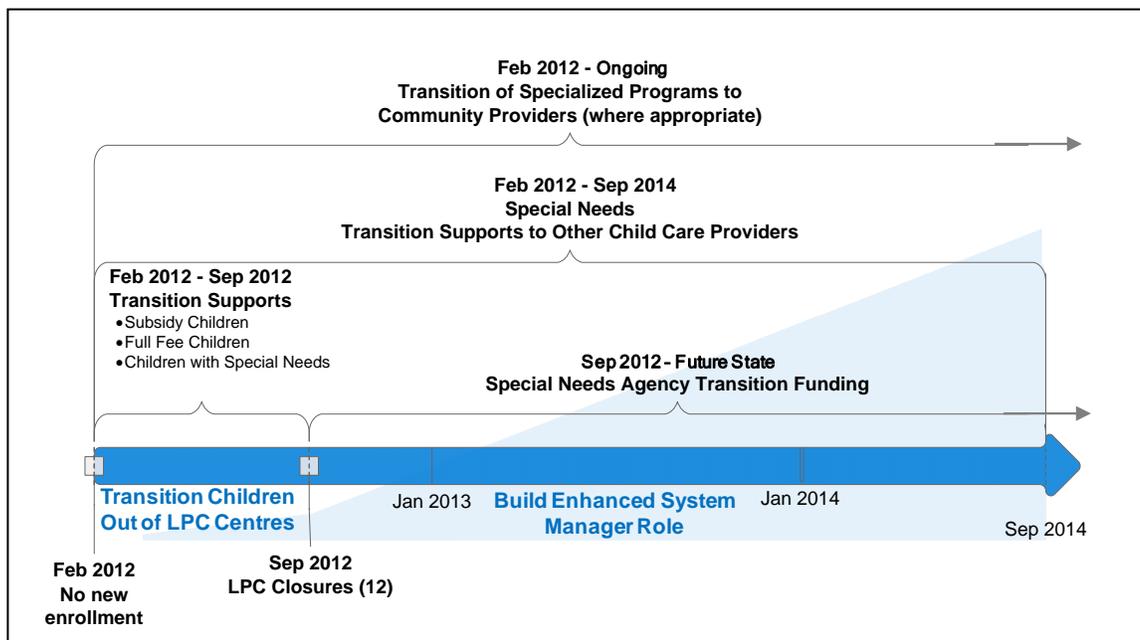


Figure 7: Overview of Transition Plan

Benefit and Risk Assessment of the Transition Plan

In determining the September 2012 timeline for the transition of children out of the LPC centres, the Steering Committee carefully considered the following benefits:

- Data suggests that there is sufficient capacity within the system to transition all LPC children
- Transition timeframe is not a long implementation period (a prolonged implementation could increase the difficulty for staff and children and could result in additional operational and workplace culture challenges)

- Timing allows for LPC centre ECEs to apply for employment with school boards and other community providers (Note: School boards are expecting an influx of an additional 8,500 children into their schools in September 2012)
- Timeline allows for the negotiation of the continuation of the infant therapeutic program (VIPP), the integrated nursery school program, and evening care program (All three of these specialized community programs are located at LPC centre sites – Valley, Brampton West and Chinguacousy)
- Opportunity to explore future space-use plans for Regionally-owned LPC centres.

Deliberations also included the identification of the following risks to the proposed transition plan:

- Requirement for detailed implementation planning and ongoing transition management over the 7 month period
- Ability to provide adequate financial and human resource supports to families, teachers, staff and supervisors
- Ability to facilitate transition of children with special needs
- Perception of placing additional service pressures on special needs agencies through the transfer of the Region's waitlist for children with special needs to agency waitlists
- Perception of closing 12 LPC centres.

The development of the transition plan included specific strategies to mitigate the risks identified above. The following is a summary of the key supports that will be provided to LPC centre families and staff during the transition period:

- Supports will be provided to each family (full-fee and subsidy) at their LPC centre to assist in the transition of their children
- Relationships between existing Resource Teachers and special needs children will be maintained through to September 2012 and beyond
- Resource Teachers will work with families to determine needs and priorities and will negotiate new care arrangements at another child care centre
- Resource Teachers will continue to care for the children at the LPC centre. As children are transitioned to child care providers in the community, the Resource Teacher will transition to a mobile role
- Commitment to continuing the specialized community programs that are located at LPC centres - infant therapeutic program (VIPP), integrated nursery school program and evening care program
- Staff reduction will be phased, but all affected employees will be provided with a range of supports and severance commensurate with their length of service.

The Region has developed an detailed implementation plan for the transition of children out of the LPC centres, as well as plans for communications, change management and human resource supports.



Financial Implications

Financial implications have been analyzed to represent the net impacts of the revised role for the Region in early learning and child care. For the purposes of this report, the financial implications have been categorized as follows:

- Redirecting LPC Centre Funding
- Transition Costs

All costs are based on data and estimates provided by the Region. The following costs have been approved by the Steering Committee and all financial assumptions have been developed by Region Finance and Human Resources staff.

Redirecting LPC Centre Funding

The Region conducted an analysis of the financial investment currently being made into the early learning and child care system, in particular, the Regionally-operated LPC centres and community child care providers. Based on the approved 2012 budget, the Steering Committee estimated \$13.6 million is available for reallocation to the system.

	Available Funding for Redirection (000's)
Provincial/Municipal Funding	\$ 7,006
Regional Funding	6,593
Total Available	\$ 13,599

Table 8: Estimated Funding Available for Redirection (Source: Region of Peel, Financial Analysis, January 2012)

After critical reflection on current system pressures, needs and opportunities identified through this review, the Steering Committee proposes to:

- Reinvest an estimated \$10.2 million into fee subsidy
This allows the Region to support 975 children, including 582 new subsidized spaces to help address the growing waitlist for child care subsidies.
- Reinvest an estimated \$2.6 million into other service priorities and enhancements to support community providers
This allows the Region to provide additional supports to the early learning and child care system. To support the Steering Committee's decision-making process for the allocation of this estimated \$2.6 million, Region staff provided estimates and assumptions related to the future resources required within the proposed model. The Steering Committee will consider these estimates in submitting a proposal to Council regarding the allocation of the estimated \$2.6 million.
- Redirect an estimated \$0.8 million in wage subsidy from the LPC centres to community child care providers
This allows the Region to provide additional wage assistance to community child care providers.

Transition Costs

One-time contingent administrative expenditures associated with the Region's transition out of the direct delivery of child care have been calculated based on estimates and assumptions from the Steering Committee and Project Team. These one-time costs represent the temporary expenses that will go towards ensuring an organized transition taking into consideration the needs of children, families and LPC centre staff.

To support the transition to the proposed model, the Steering Committee developed estimates for one-time contingent administrative expenditures of \$12.4 million. The table below summarizes the estimated transition costs.

	Estimated Costs (000's)	
	Year 1	Year 2
Employee Severance and Human Service Costs	\$ 10,030	\$ 60
Facility and Temporary Support Costs	2,267	-
TOTAL	\$ 12,297	\$ 60

Table 9: Transition Costs (Source: Region of Peel, Transition Estimates and Assumptions, January 2012. Calculations have been made based on this source data.)

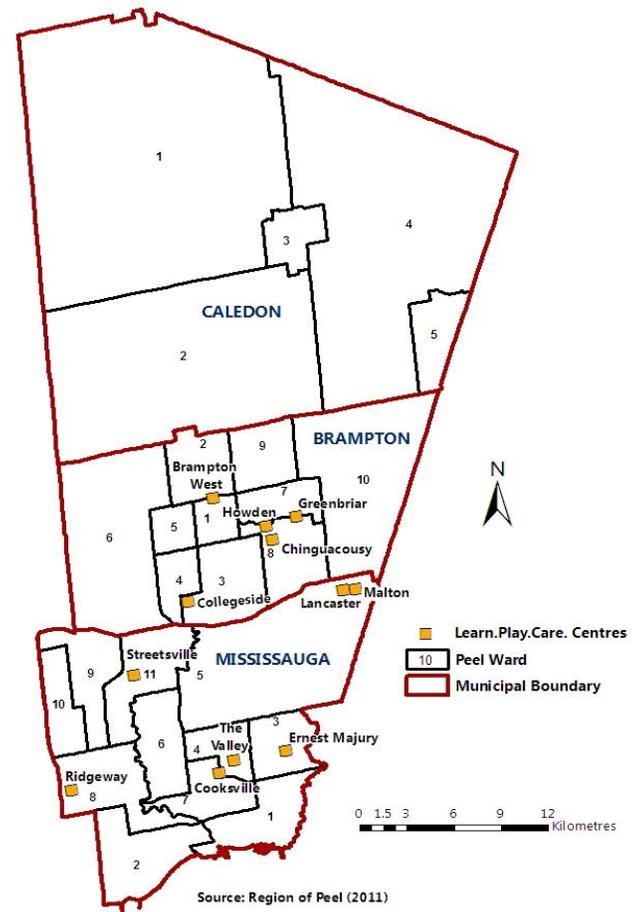


Appendix A: Region's Current Role in Direct Delivery

The Region operates 12 LPC centres with approximately 260 employees (159 regular, full-time employees and 101 casual employees) and 756 children, ages 18 months and up. In addition to Regionally-operated LPCs, the Region also directly operates or supports the operations of the following programs (Human Services, 2010):

- Family Literacy Programs – in collaboration with the school boards to encourage language and early literacy activities
- Early Literacy Programs – literacy specialists provide workshops to caregivers to promote children's literacy
- Learning In Our Neighbourhood (LION) – Mobile early learning resource programs
- Parenting Workshops – opportunities for parents to learn new skills and build connections with other parents
- Valley Infant Parent Program – an intensive, therapeutic program to support attachment between parents and infants
- Special Needs Program – resource teachers to support inclusion of approximately 84 children with special needs (68 diagnosed, 16 undiagnosed) currently enrolled in LPC centres
- SNAP-Peel – service coordination to support inclusion for special needs children at community providers
- Early Learning in Peel Homeless Family Shelters – child care program in family shelters
- Neighbourhood Capacity Support Strategy – in collaboration with community agencies to facilitate community programs
- St. John Fisher Neighbourhood Learning Place – in partnership with community agencies, inclusive and integrated programs
- Volunteer and Student Programs – placement opportunities for college, high school and university students and community members, etc.

Learn.Play.Care. Centres in Peel Region (2011)



Appendix B: Stakeholder Consultation

Internal Stakeholders	
Group	Stakeholders
Core Project Team – <i>Weekly Meetings</i> – <i>Workshops</i>	<ul style="list-style-type: none"> • Eve Desmarais, Manager, LPC Centre • Tracy Galvao, Specialist, Strategic Planning • Janice Graves, Manager, LPC Centre • Gunta Jurevics-Lawson, Manager, Child and Family Services • Dee Karski, Manager Strategic Projects • Paul Lewkowicz, Specialist, Strategic Planning • Jennifer Marvin, Communications Specialist • Lorrie McKay, Specialist, Strategic Planning • Laura Mitchell-Collier, Manager, Strategic Planning • Sonia Pace, Director, Children’s Services Operations • Lisa Pecarski, Early Years Advisor, Strategic Planning • Heather Watts, Acting Manager, LPC Centres
Extended Project Team – <i>Regular Meetings</i> – <i>Workshops</i>	<i>Members of the Core Project Team, as well as:</i> <ul style="list-style-type: none"> • Terrance Balliram, Acting Manager, Early Learning Services • Federico Cartin-Arteaga, Supervisor, Strategic Planning • Joan Endersby, Human Services Public Affairs Associate • Tracy Hoy, Supervisor, LPC Centre, Children’s Services Operations • Johanna Irvine, Resource Co-ordinator, Early Learning Services • Susan May, Policy Analyst, Program and Business Supports • Irene Mochenko, Manager, Service Access • Lori O’Connor, Supervisor, Child and Family Services • Olivvy Purakal, Supervisor, Program and Business Supports • Jennifer Shebunchak, Business Analyst, Program & Business Supports • Karen Venneri, Supervisor, LPC Centre, Children’s Services Operations
Region of Peel, Executive Management – <i>One-on-one Interviews</i>	<ul style="list-style-type: none"> • David Szwarc, Chief Administrative Officer • Norma Trim, Chief Financial Officer
Human Services Department, Leadership Team – <i>One-on-one Interviews</i> – <i>Workshops</i>	<ul style="list-style-type: none"> • Stella Danos-Papaconstantinou, Director of Client Relationships Division • Juliet Jackson, Director of Client and Community Access Division • Joan Kaczmariski, Director of Service System Management Division • Gurpreet Malhotra, Director of Strategic Planning, Policy and Partnerships Division • Janet Menard, Commissioner of Human Services • Muliwa Mwarigha, Director of Residential Property Management Division • Sonia Pace, Director of Children’s Services Operations • Beth Storti, Manager of Human Services Transition and Integration Team • Thomas Yoon, Director of Integrated Business Support Division

Internal Stakeholders (cont'd)	
Group	Stakeholders
Human Services Department, Early Learning and Child Care Managers – Interviews – Workshops	<ul style="list-style-type: none"> • Terrence Balliram, Acting Manager, Early Learning Services • Eve Desmarais, Manager, LPC Centres • Karen DeSousa, Manager, LPC Centres • Janice Graves, Manager, LPC Centres • Gunta Jurevics-Lawson, Manager, Inclusion Services • Irene Mochenko, Manager, Service Access • Heather Watts, Acting Manager, LPC Centres
Human Services Department, Early Learning and Child Care Supervisors and Staff – Survey – Focus Groups – Open Houses – Workshop (CSO Division Supervisors only)	<ul style="list-style-type: none"> • LPC Centre supervisors and staff • Supervisors and staff from Children’s Services Operations (CSO) Division, including LPC Centres, special needs programs and other community programs and supports • Supervisors and staff from other divisions of the Human Services Department that support early learning and child care
Human Services, Finance Team – Interviews	<ul style="list-style-type: none"> • John Arcella, Manager, Financial Support Unit • Darlene Pisuena-Rey, Supervisor, Financial Support Unit
Region of Peel, Human Resources – Interviews	<ul style="list-style-type: none"> • Mike Goldrup, Director, Human Resources • Andrew Graham, Manager, Employee Relations • Harpreet Kaur, Acting Human Resources Associate
Health Department, Leadership and Management – Interviews	<ul style="list-style-type: none"> • Debbie Chang, Child Health Manager, Child Health • Anne Fenwick, Director of Family Health • Cheryl Morin, Family Health Manager, Healthy Babies, Healthy Children Dr. • David Mowat, Medical Officer of Health • Janette Smith, Commissioner of Health Services

External Stakeholders	
Group	Stakeholders
Early Learning and Child Care Providers and Agencies – <i>Interview</i> – <i>Workshop</i>	<ul style="list-style-type: none"> • Jane van Berkel, Executive Director, Child Development Resource Connection Peel (CDRCP) • Elizabeth Hawley, Director, Effective Practice and Program, CDRCP • Noreen Hornsby, Manager, Early Years, CDRCP • Joan Arruda, Former Acting CEO, Family Day Care Services • Diane Daley, Director, Development & Programs, Family Day Care Services • Lory Wolter, Executive Director, Mississauga Parent Resource Child Centres • Lynn Hiebert, CEO, PLASP Child Care Services • Susan Clunie, Director, Human Resources, PLASP Child Care Services • Sandy Edmunds, Director of Operations, School Age Programs, PLASP Child Care Services • Pat Houlton, Director of Operations, Early Learning & Child Care, PLASP Child Care Services • Agnes Long, Controller, PLASP Child Care Services • Ginny Millar, Director, Strategic Planning, PLASP Child Care Services
Fair Share for Peel – <i>Interview</i> – <i>Workshop</i>	<ul style="list-style-type: none"> • Carol Kotachka, Strategist/ Member of the Fair Share for Peel Task Force • Vicky Lowrey, Senior Service Manager, Advice and Assessment, Peel Children's Aid Society • Anita Stellinga, Vice President of Community Investment, United Way of Peel Region • Shelley White, CEO, United Way of Peel Region
Ministry of Education – <i>Interview</i>	<ul style="list-style-type: none"> • Jim Grieve, Assistant Deputy Minister, Early Learning Division
Parents – <i>Focus Group</i>	<ul style="list-style-type: none"> • LPC Centre Parent Council
School Boards – <i>Interview</i> – <i>Workshop</i>	<ul style="list-style-type: none"> • Ralph Borrelli, Associate Director, Dufferin-Peel Catholic District School Board • Glenda Brown, Senior Child and Youth Worker, Dufferin-Peel Catholic District School Board • Patricia Codner, Senior Social Worker, Dufferin-Peel Catholic District School Board • John Kostoff, Director, Dufferin-Peel Catholic District School Board • Tony Pontes, Director, Peel District School Board • Shirley Ann Teal, Early Years Superintendent, Peel District School Board

External Stakeholders (cont'd)	
Group	Stakeholders
Special Needs Resource Agencies – <i>Interview</i> – <i>Workshop</i>	<ul style="list-style-type: none"> • April Cornel, Executive Director, The Ontario Foundation for Visually Impaired Children (OFVIC) • Lindsay Hillier, Program Director, Consultation Service, OFVIC • Linda Lee-Berkowitz, Director, Clinical Services, Peel Children’s Centre
Success By 6 / Peel Children and Youth Initiative (PCYI) – <i>Interview</i> – <i>Workshop</i>	<ul style="list-style-type: none"> • Graham Clyne, Executive Director, PCYI • Marilyn Dumaresq, Past Interim Director, Success By 6 • Heather Krause, Researcher, PCYI • Seema Taneja, Researcher, PCYI



Appendix C: Overview of Region of Peel Early Learning and Child Care Budget, 2012

Early Learning and Child Care – Estimated Total Expenditures, Total Revenue, Net Cost (2012 Budget)

	Administra- tion	Agency Payments	Special Needs & Support Services	Directly Operated Centres	Purchase of Service	Total
Total Expenditure	\$ 8,530,717	\$ 17,397,563	\$ 3,146,719	\$ 16,377,101	\$ 35,610,799	\$ 81,062,899
Total Revenue	\$ 4,001,890	\$ 14,554,971	\$ 1,511,872	\$ 9,479,099	\$ 27,619,800	\$ 57,167,632
Net Cost	\$ 4,528,827	\$ 2,842,592	\$ 1,634,847	\$ 6,898,002	\$ 7,990,999	\$ 23,895,267

Source: Region of Peel, Children's Services Revenue and Expenditure Statement, Trend 2007-2011 with 2012 Budget (Dec. 22, 2011). Calculations are made based on this source document.



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