

# City of Ottawa

## 2014 Child Care Service Plan



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## Introduction

The City in its role as Consolidated Municipal Service Manager (CMSM) of child care services in Ottawa will be required in future to develop and submit an annual Service Plan to the Province of Ontario for approval if the proposed *Child Care Modernization Act, 2013* is passed and enacted. This 2014 plan will be submitted in advance of the Province's release of the new guidelines for service planning from the Ministry of Education. The 2014 Child Care Service Plan outlines the City's response to the significant Provincial changes in the child care sector and highlights our vision for the administration of early years and child care in Ottawa.

Since 2009, the Province has implemented the following significant changes to the delivery of early learning and child care in Ontario:

- Implemented Full Day Kindergarten and transformed the role of school boards in the coordination and delivery of early learning and child care;
- Transferred the child care services portfolio from the Ministry of Children and Youth Services to the Ministry of Education;
- Introduced the Schools First Policy;
- Developed new funding guidelines and a new funding formula; and
- Tabled the *Child Care Modernization Act, 2013* (December 2013).

The Province is the primary funder of subsidized child care services in Ontario. The details of the provincial-municipal funding arrangement are outlined in section 2.3 of this report.

The introduction of Full Day Kindergarten has resulted in a significant change for child care service providers and school boards. School boards are now involved in the coordination and direct delivery of before and after school care for children in Junior and Senior Kindergarten and before and after care for children ages 6-12 years. Child care providers, including Third Party Providers located within a school, are challenged with responding to the new funding formula and stabilizing their services in a changing service structure.

The following table provides a summary of the current roles and responsibilities for the Province, the City and school boards in the delivery and administration of early years

and child care. It is anticipated that if the *Child Care Modernization Act, 2013* is passed as tabled in December 2013 some of these roles will be expanded and others will be formalized. For example, the role of the municipality as the CMSM will be entrenched in the legislation and specific responsibilities laid out as well as a generalized responsibility to maintain the Provincial interest at a local level. Please see Appendix A for a summary of the legislative proposals related to the CMSM role and the Provincial Interest.

**Table 1: Summary of Current Stakeholder Roles and Responsibilities\***

<b>Stakeholder</b>	<b>Roles and Responsibilities</b>
Province of Ontario	<ul style="list-style-type: none"> <li>Responsible for funding, licensing and developing policy to support the provision of licensed child care</li> </ul>
City of Ottawa	<ul style="list-style-type: none"> <li>Cost shares 20% of Provincial funding for child care</li> <li>Funds 100% of specific programs</li> <li>System planning responsibilities for children aged 0-3.8 years</li> <li>Coordination of system planning with school boards for children aged 4-12 years</li> <li>Coordination of planning for licensed home child care services</li> <li>Distributes and optimizes Provincial funding</li> <li>Develops policy to ensure fair and equitable distribution of operational and capital funding, as per the provincial guidelines, for local child care agencies</li> <li>Determines eligibility for child care fee subsidies</li> </ul>
School Boards	<ul style="list-style-type: none"> <li>Provides Full Day Kindergarten for 4 and 5 years olds including an extended day program</li> <li>Coordination and direct delivery of before and after school care for children aged 6-12 years</li> <li>May provide licensed child care for children 0-3.8 years as supported in the School's First policy</li> </ul>

\*Note: If passed, Bill 143 the *Child Care Modernization Act, 2013*, will result in changes to these current roles and responsibilities as summarized in Appendix A.

In developing the City's 2014 Child Care Service Plan, staff conducted a broad community engagement exercise with its stakeholders, including service providers and parents. In May and June of 2013, parents and stakeholders were asked to provide feedback on the City's 2013-2017 Child Care Modernization Framework. This included four community consultation sessions and a web-based survey. In total, over 600 residents provided feedback on the Child Care Modernization Framework. The

feedback from the consultations and web based surveys was considered in finalizing this 2014 Service Plan.

The City has created two consultative bodies for ongoing collaboration and consultation: the Expert Panel and the Stakeholder Reference Group. The Expert Panel includes local academics and accredited experts in community and child development from Carleton University, the University of Ottawa, Statistics Canada and Ottawa's Public Health Department (please see Appendix B for a list of panel members). The Expert Panel has provided feedback to City staff on the development of the priority criteria for child care fee subsidies. The Stakeholder Reference Group includes representation from school boards, leaders in the child care sector and parents (please see Appendix C for a list of members). The Stakeholder Reference Group has provided feedback on the development of the priority criteria for child care fee subsidies and contributed to preliminary discussions regarding a new funding formula for child care providers and licensed home child care agencies.

Highlights of the draft service plan were reviewed with the Stakeholder Reference Group and distributed to participants in the community consultation sessions.

The City's 2014 Child Care Service Plan is organized in the following sections:

1. Ottawa's Early Years and Child Care System Overview
2. Child Care Modernization Framework
3. Challenges and Opportunities for Ottawa's Child Care System

## **1. Ottawa's Early Learning Child Care System**

### **1.1 Children and Families in Ottawa**

The 2011 Census identified 107,575 children aged 0 to ten years old living in Ottawa. There are approximately 49,000 children under 4 years of age and 58,000 children aged 5-10. Please refer to Appendix D for detailed information on the distribution of children in Ottawa.

The 2011 National Household Survey noted that while the overall poverty rate for Ottawa residents is 11.7%, the poverty rate for children aged 0-6 is 15.2%. In 2013, over 13,000 children aged 0 to 12 years old in Ottawa lived with parents or guardians

who relied on Social Assistance as their primary income. Of the 6,077 families receiving Ontario Works, 80% were single parents. These residents are among Ottawa’s families who are most in need. Please see Appendix E for a summary of Ottawa’s Social Assistance recipients and a comparison of their annual income to the Low Income Cut Off (LICO).

All families rely on a range of services to meet the early learning and care needs of their children. Children are the primary beneficiaries of a strong child care system. However, because funding is limited, the City will give priority access to child care fee subsidy to families most in need, such as: children in families living on social assistance and households whose income is under the Low Income Cut Off, as per the provincial funding guidelines.

## 1.2 Child Care Providers

Ontario is undergoing significant change in regulated and licensed child care. In addition to licensed care, new legislation and requirements were introduced related to school based care. In Ottawa, licensed child care is offered at **333** child care centres and through **17** licensed home child care agencies representing over **27, 213** spaces. Twenty-five percent (**25%**) of Ottawa’s children aged 0 to ten years, access licensed child care.

The table below indicates that **71%** of Ottawa’s child care programs (centre-based and licensed home child care) are operated by not for profit organizations (incorporated under one of the federal or provincial acts governing not-for-profit corporations), **25%** are operated by incorporated for profit child care providers and **4%** are City operated. There are **93** agencies (or 200 programs) that have a legal agreement with the City and receive provincial funding in the form of fee or wage subsidies.

**Table 2: Licensed Child Care Programs in Ottawa**

Type of Child Care Program	# of Locations	%
Non-Profit	237	71%
Private (For-Profit)	83	25%
Municipal	13	4%
Total	333	100

Source: Province of Ontario, 2013

In addition, there are 17 licensed not for profit home child care agencies which serve 3,461 children and provide 13% of total licensed child care spaces.

The City is committed to supporting the not-for-profit child care sector. As outlined in the [Child Care Modernization Framework](#) report to Committee and Council on February 21 2013, the City will continue to focus its contractual relationships for child care fee subsidies on not-for-profit providers. In geographic areas where there are no existing not-for-profit operators and not-for-profit providers are not willing to shift their service offering, the City will review the potential for a purchase of service agreement with a private operator. It is important to note that the provincial funding guidelines do not differentiate between not-for-profit and private operators of child care for payment of fee subsidy. The focus of the Province is on parental choice and the mobility of the fee subsidy to follow the child.

### 1.3 School-based Care

In 2010 the Ministry of Education launched a five-year plan to implement full day early learning for 4 and 5 years old in schools. With the transition to full day early learning, the four local school boards have an integrated planning system, supported by their elected officials, that reviews and revises service offerings based on community demographics. As per Ministry of Education directions, the City as the Delivery Agent, will review school board proposals and incorporate these proposals in a City-wide plan for the allocation of programs, services, and resources to provide a seamless transition for children between community-based child care providers and the school system. If the *Child Care Modernization Act, 2013* is approved, the role of the City could be considerably expanded with respect to system planning and the early learning provided within the school system.

The Ministry of Education has indicated that before introducing full day early learning, approximately 86% of all eligible four and five year-olds were registered for kindergarten. By year three of the full day early learning initiative that number has increased to 97%.

### 1.4 Current Access to Fee Subsidies

In 2008, the City's [Auditor General's Report](#) identified that there was an under utilization of child care fee subsidies, and that residents most in need were not receiving subsidies. In the current system, a family needs to identify an available subsidized space with a child care agency before contacting the City to determine their eligibility.

This means that child care providers with purchase of service agreements decide which families receive a subsidized space, as long as the family meets the Provincial income criteria. There is no priority established based on need or time waiting for child care.

The City's Child Care Modernization Framework includes the transition to a waitlist management system wherein families most in need will be given priority for child care fee subsidies. With the introduction of the City's new waitlist management system in 2014, City staff will know exactly how many families are waiting for a licensed child care space, and how many are eligible for a fee subsidy. This will assist in future planning for the City's early learning and child care needs.

### 1.5 Fee Subsidy Management

Low income is a significant barrier for families who need access to child care. Based on current funding levels there are approximately **6,500** full time child care fee subsidies available in Ottawa. This is approximately 24% of all licensed spaces in the city. The current waitlist has over 10,000 children registered. Families can request a fee subsidy through the wait list, however at present they are not currently assessed until they have identified an available subsidized space. As a result, the City does not have accurate information on the number of families who are eligible to access a child care fee subsidy.

The City's Child Care Modernization Framework represents a significant shift for agencies with purchase of service agreements with the City. Currently, subsidies are attached to specific spaces in a limited number of child care agencies with purchase of service agreements. By 2017, subsidies will follow the child. This means that in the future, a broader range of agencies will be able to offer subsidized child care spaces for children, although the total number of subsidized spaces available will not change unless there is an increase in Provincial funding. It is important to note that at the end of 2013, the City received provincial notification of a \$4M increase in funding for 2014. The City had anticipated a \$1M increase as part of the 2014 budget process. This Provincial announcement will result in an approximate increase of \$3M for the child care system in Ottawa. How this funding may be used has not been confirmed at this time. The details on funding utilization will be reviewed in the provincial service agreement and full implications of the funding will be available by April 2014.

The City is moving to a system where the subsidy follows the child to increase the opportunity for parental choice and to better meet the needs of children and families. In addition, responsive system planning will be possible as the City improves its capacity

to meet shifting community demands. The increase in provincial funding for 2014 will support the introduction of this type of system within our community. New funds are needed to maintain or to increase the number of subsidies available in this community. Additional funding is also required to meet the changing geographic and demographic demands for subsidies. Criteria for access to fee subsidies and the detailed elements of funding for fee subsidies are outlined in sections 2.6 and 2.4 of this report respectively.

## 1.6 Specific Demographic Groups and Providers

### 1.6.1 Supporting Francophone Families

In 2006, Council approved the [Francophone Child Care Development Plan](#) which allocated additional funding for francophone child care services in order to achieve equity for the francophone population. As of January 2010, the percentage of the Child Care budget allocated to Francophone services was 15.2%, thereby reaching the equity target established by the 2006 Census. In order to reach this target, census data is analysed by the following categories:

1. Francophones are residents who have identified that French is their first official language
2. This group will be further narrowed to families with children aged 0-10, in order to reflect the population most likely to require child care

The table below illustrates the percentage of Ottawa residents for whom French is their first official language.

**Table 3: Francophone Population whose First Official Language is French**

Census date	2001	2006	2011
Francophone Equity Target	14.9%	15.2%	15.2%

Source: Statistics Canada, 2011 Census

The percentage of child care fee subsidies allocated to Francophone children will continue to be monitored through the new waitlist management system and through the system planning priorities for fee subsidy to ensure that the proportion of funding for child care fee subsidies for francophone families reflects Census data.

### 1.6.2 Supporting Children with Special Needs

The Province legislates that 4.1% of Provincial funding be allocated towards services for children with special needs.<sup>1</sup> Currently, the City allocates over 5% of its funding for programs serving children with special needs. The City is committed to reviewing the current service delivery model and implementing performance and outcome measures to ensure that service levels for children with special needs are maintained.

Parents of children with special needs/disabilities often experience higher living expenses and other stresses, when trying to access supports and essential services for their child. Parents are more likely to be employed part-time with reduced incomes.<sup>2</sup> The City is committed to supporting parents with a documented illness or disability and families with children who have documented Special Needs through access to fee subsidies. The City is committed to ensuring that supports to agencies that provide services to children with special needs/ disabilities remain viable.

### 1.6.3 Supporting First Nations/ Métis/ Inuit Families

The 2011 Census identified that there are approximately 18,000 Aboriginal residents in the City of Ottawa. However, service providers estimate the population of the Aboriginal community at approximately 35,000. Census estimates may be conservative due to reluctance to self-identify, homelessness and mobility of many Aboriginal people.<sup>3</sup> Aboriginal children aged 14 and under represented **20.3%** of the total Aboriginal population and **2.5%** of all children in Ottawa.

The federal government plays a role in funding child care for Aboriginal children. Employment and Social Development Canada (formerly Human Resources and Skills Development Canada) and Health Canada fund specific programs for Aboriginal children in the City of Ottawa. The City is committed to ensuring that Aboriginal families

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<sup>1</sup>Special needs refers to a "child who has a physical or mental impairment that is likely to continue for a prolonged period of time and who as a result thereof is limited in activities pertaining to normal living as verified by objective psychological or medical findings and includes a child with a developmental disability. It also includes those families in which the need for child care is directly related to the child, or is the result of a greater family need because of issues with the home/ family environment, where the family is referred by an outside agent." O. Reg 262 under the *Day Nurseries Act*

<sup>2</sup> City of Ottawa Equity and Inclusion Lens, People with Disabilities Snapshot, accessed July 26, 2013 at: [http://ottawa.ca/sites/ottawa.ca/files/attachments/ottpage/disabilities\\_en.pdf](http://ottawa.ca/sites/ottawa.ca/files/attachments/ottpage/disabilities_en.pdf)

<sup>3</sup> City of Ottawa Equity and Inclusion Lens, Aboriginal Peoples Diversity Snapshot, accessed July 26 2013 at: [http://ottawa.ca/sites/ottawa.ca/files/attachments/ottpage/aboriginal\\_en.pdf](http://ottawa.ca/sites/ottawa.ca/files/attachments/ottpage/aboriginal_en.pdf)

have access to child care fee subsidies and that agencies serving Aboriginal families remain viable.

#### **1.6.4 Ottawa Early Intervention Programs (formerly known as Head Start)**

There are 10 Early Intervention Programs in Ottawa, formerly known as Head Start. In 2012, these not-for-profit programs had 321 spaces: 71 full day and 250 half day. This 'made in Ottawa' program is delivered in partnership with the 13 Community Health and Resource Centres and provides specialized programming for families with multiple risk factors.

The costs of maintaining this program are slightly higher due to reduced staff/child ratios and associated transportation costs. If transportation is not provided, it is unlikely that registered children will be able to participate due to the needs of low income households. The City has been working with the Ottawa Early Intervention Program to decrease program costs. Please see Appendix F for a list of Ottawa Early Intervention Programs currently funded in the city of Ottawa.

#### **1.6.5 Ontario Early Years/Child and Family Centres**

Through all of the changes associated with the full day early learning and changes in responsibility at the Ministry level, the Ministry of Children and Youth Services has retained the responsibility to promote and establish Child and Family Centres (CFCs). There are seven Ontario Early Years Centres within the city of Ottawa. They were provincially developed and are mandated to offer an integrated service delivery model that includes: child care, early intervention and prevention, special needs, family supports etc. to children 0-6 years of age in their catchment areas. Late in 2013, the Province of Ontario announced the alignment of the Ontario Early Years Centres from the Ministry of Children and Youth Services to the Ministry of Education. At this time the City is waiting for further information about the administration of the Early Years Centres and the role of the CMSM, if any, in this ongoing program administration. Although the provincial directions and local implications are unknown, the City will work cooperatively with the Ministry of Education and community partners to provide further clarity for these programs within the early years and child care continuum of services. At this point in time the City has been able to confirm that more information on the transition and funding for Early Years Centres will be forthcoming on 2014. Providers who operate Early Years Centres are represented on the child care Stakeholder Reference Group.

## 1.7 City-Operated Child Care Programs

The City of Ottawa directly operates 13 centre-based child care programs and one licensed home child care agency. Most centres and home child care homes are located in low income and other hard to serve areas of the city. The 13 City operated child care centres serve 548 children, from the ages of 8 weeks to 10 years old, of which 64% are in receipt of a child care fee subsidy. Guidelines for healthy eating and active living at all City of Ottawa child care centres were recently developed in partnership with Ottawa Public Health.

Municipal home child care presently serves 290 children, within 89 licensed home child care provider's homes. Over 99% of these families are in receipt of a child care fee subsidy. Licensed home child care programs offer early learning care in approved homes of child care providers affiliated with the provider agency. All agencies, including the Municipal Home Child Care Program, are licensed by the Ministry of Education under the Day Nurseries Act and must be operated in compliance with the Provincial funding guidelines and the local policies established by the CMSM. The City has a responsibility as CMSM to ensure that directly operated municipal child care centres are not funded differently than community agencies.

### 1.7.1 Ontario Works Child Care

Ontario Works Child Care supports parents receiving Ontario Works assistance with their child care needs. This enables parents to search for, secure and retain employment. Ontario Works clients can access informal or formal child care. This program is intended to be transitional support until clients are able to access a licensed child care space that is supported with a fee subsidy.

## 2. Child Care Modernization Framework

The City of Ottawa's Community and Social Services Department is integrating service planning and service delivery with a priority on client-centred services that are responsive to client needs and articulate clear outcomes.

### 2.1 Vision and Principles

By 2017 we envision a child care system for Ottawa where:

- Access to child care fee subsidies is streamlined and priority is given to the families who are most in need.
- Parents with child care fee subsidies have a broader range of child care providers from which to choose.
- All child care agencies receive remuneration for child care fee subsidies based on a standardized funding formula that considers the age and number of children served.
- Child care agencies report on established performance measures and continuous service improvements for children and families.
- Planning for the child care and early years system is achieved in an integrated and cooperative manner.

Key guiding principles were developed (and derived from the February 2013 report to Council) to support the City's 2013-2017 Child Care Modernization Framework. These principles are in alignment with the Ontario Early Years Policy Framework that places emphasis on quality services centred on the child and family that are responsive, accessible, publicly accountable, and founded on strong partnerships. The City's principles include an emphasis on parental choice, priority access to subsidy, unique needs, system accountability, system sustainability, integrated planning, transparency, and engagement. See Appendix G for a list of the key principles.

## 2.2 Implementation Timelines for Modernization

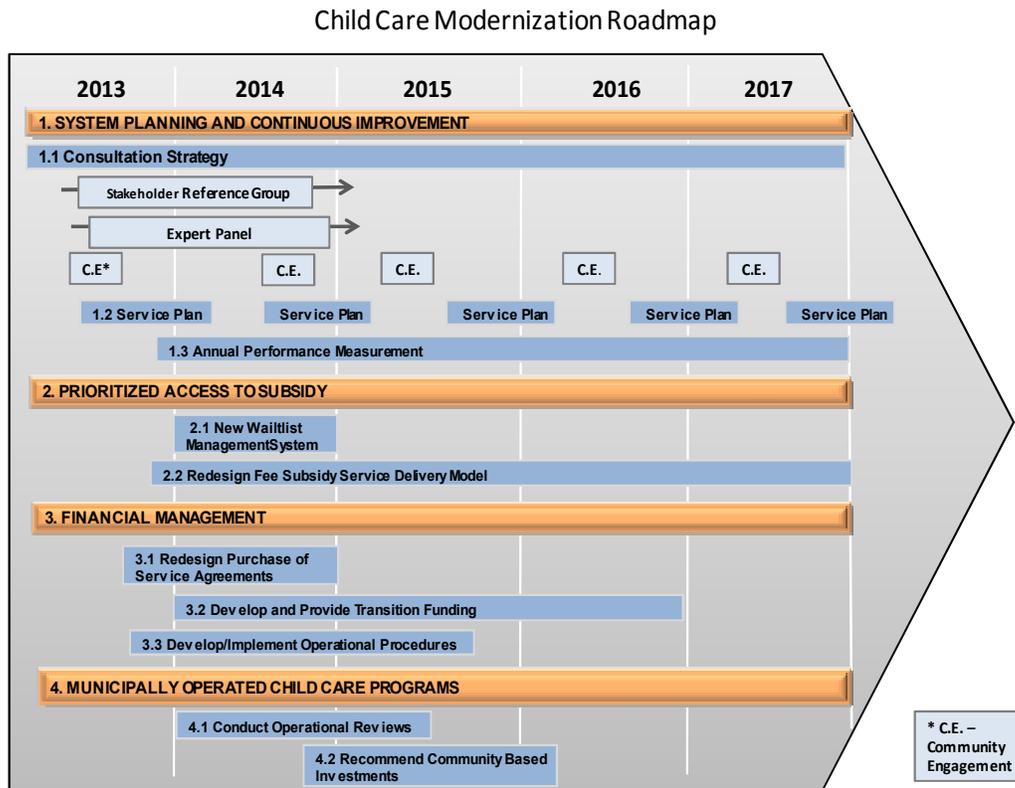
The City's [Child Care Modernization Framework](#) was developed in response to the changes in Provincial direction. The key elements of the framework are:

1. System planning and continuous improvement;
2. Prioritized access to fee subsidy;
3. Financial management; and
4. City-operated child care programs.

Modernization of Ottawa's child care system is planned to be a five year process (2013 to 2017). It represents a complete rebuilding of how child care is administered by the

City of Ottawa. The Road Map in Figure 1 highlights approximate timelines for the key system changes for child care providers and users.

**Figure 1. Child Care Modernization Framework Road Map**



November 12, 2013

The goals and key activities targeted for each component of the Child Care Modernization Framework are presented in Appendix H. Note that based on the feedback received from child care providers and parents throughout the consultation process, some revisions have been made to the framework that was first presented to Committee and Council in February 2013.

### 2.3 Implementation of Provincial Funding Guidelines

The Ministry of Education introduced new Ontario Child Care Service Management and Funding Guidelines in 2013. New program and expense categories as well as a new funding formula are identified, including the structure of provincial-municipal cost share funding.

Overall, the Consolidated Municipal Service Manager now has more discretion on how Provincial child care funding will be spent. The new funding categories include:

- Core Service Delivery (includes special purpose funding)
  - Special Needs Resourcing (minimum requirement 4.1%)
  - Pay Equity (no flexibility, this must continue to flow to eligible agencies)
  - Transformation Expenses
  - Capacity Building
  - Capital Retrofits
  - Small Water Works
- } (one time funding)

Please see Appendix I for further details.

The Ministry recognizes that 2013 is a transition year and will work with Consolidated Municipal Service Managers (CMSMs) to support their planning requirements. CMSM feedback was sought and may result in further revisions to the funding guidelines in 2014. The guidelines have set the foundation for some of the changes outlined in proposed Bill 143, the Child Care Modernization Act, 2013

The City is committed to effective implementation of the Ontario Child Care Service Management and Funding Guidelines in accordance with Ministry expectations. It is anticipated that Ministry requirements to support the new funding formula and framework will be met by the end of 2014. Where required, the CMSM will consult with the community and child care providers. Elements of this consultation have been ongoing through the Stakeholder Reference Group in 2013.

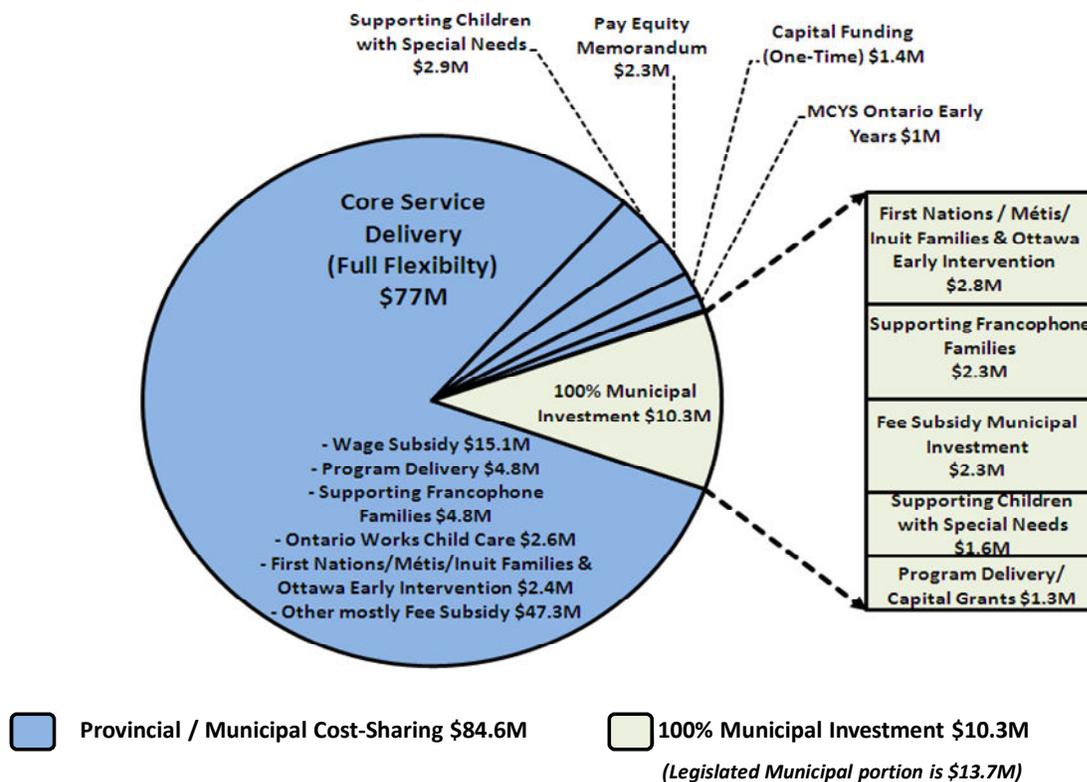
### **2.3.1 The City of Ottawa's Child Care Budget**

The new provincial funding guidelines state that the City has full flexibility on allocations of funds within the core service delivery envelope (approximately 90% of the provincially cost shared budget.) The City is mandated to allocate funding to the following programs and services: Supports to Children with Special Needs (\$2.9M), Pay Equity Memorandum (\$2.3M), Capital One-Time Funding (\$1.4M), and MCYS Ontario Early Years (\$1M).

In 2013, the City of Ottawa's total child care budget was \$94.9M. The following chart (Figure 2) shows that \$84.6M is from provincial funding with the associated legislated portion (\$13.7M) and in addition to the legislated requirement the City invests \$10.3M in the child care system each year. Being able to distinguish the 100% municipal investment from the provincial envelope is an important step in building a sustainable funding model and supporting local objectives set by Council.

In December 2013, the Province announced a \$4M increase in provincial revenue for child care. Since a \$1M provincial inflationary increase was anticipated by staff and included in the 2014 budget submission, this will result in a real increase of approximately \$3M to implement the elements of the policy framework.

**Figure 2. 2013 Childcare Budget \$94.9M\***



\* Figures are net of parental fee revenue & include program support costs from other departments. Will not align exactly to other City financial reports.

## 2.4 Municipal Funding

The City's past (and current) practice of maintaining the number of subsidized child care spaces attached to each child care provider ensured agencies stability in their annual budget planning. This was further supported through the provision of an annualized indexed rate for fee subsidies. The funding for the rate increase came from the global fee subsidy budget by using either provincial revenue (if available) or by employing unused fee subsidy recovered as part of the annual retrieval process. If funds were not available within the global budget this practice inherently created the potential for service reductions, that is, a reduction in the number of subsidized child care spaces the City could purchase. When funds were not available within the Provincial budget allocation, additional municipal funding was identified within the City's annual operating budget to ensure there was no reduction in subsidized spaces. This practice has increased the 100% municipal contribution by \$2.6M since it began in 2010.

The new provincial funding formula takes into account demographic changes to measure demand for child care cost drivers, such as the cost of living. While there is no guarantee that the Province will provide annual increases in funding, for 2014 the City of Ottawa has been informed of a budget increase of \$4M.

In the February 2013 report to Committee and Council, City staff presented the concept of standardized per diem rates for child care agencies. Through consultation, it has become clear that more time is required to establish equitable payment for child care. Initial discussions with the Stakeholder Reference Group regarding the use of a weighted per diem predictor that is based on current agency budget submissions revealed a number of considerations. Upon detailed analysis it was evident that 68% of child care providers were operating outside of the weighted per diem predictor in at least one age group of care provided. Over 2014 staff will continue to work with the Stakeholder Reference Group to develop a funding formula that will result in more equitable funding for the sector.

In the current system child care agencies submit their required budgets to the City for approval. These budgets were allocated to agencies before the Province moved to a system of income testing for parents to assess need for child care fee subsidy. The allocations are largely based on historical practices. While the new Provincial funding formula is more flexible, transition at the local level will be complex and the new local payment for child care will need to:

- Reflect the requirements of the Provincial funding guidelines:

- Incorporate the new flexibility provided by the Province; and
- Address historical funding inequities across agencies within Ottawa's current child care system.

A further component of local funding that requires examination is wage subsidy. Previously the province allocated wage subsidy funds. This is no longer the case. To provide increased CMSM flexibility, these funds are now part of the core service delivery allocation from the Province. Since 2013, there have been no designated wage subsidy funds flowed from the Province. Consequently the City is required to develop new administrative practices and operational procedures on how these funds will be equitably distributed amongst child care providers for the 2015 fiscal year. At this point in time there are some child care providers that are funded 100% of their wage subsidy eligibility. This eligibility is based on provincial calculators that consider the age group served, the number of licensed spaces and the number of program staff. Unfortunately these allocations were made at a time when the number of child care providers was smaller. With no new provincial funds, wage subsidy has remained clustered with a relatively small number of child care providers. In 2013, the City continued to fund child care providers at their historic allocation for wage subsidy dollars.

It is the City's intent that these factors be built into the new funding formula for all child care providers (where funds permit and eligibility requirements are met), not just for those who have historically received this funding. Introduction of this concept was made at the December 2013 meeting of the Stakeholder Reference Group.

#### **2.4.1 2014: Transitional Approach to Sustainability**

The City's ability to maintain the status quo is challenged on an annual basis. In reality, given the new provincial funding guidelines and policy directions of the Ministry of Education it will be virtually impossible to do so. Additionally, maintaining the existing system will result in continued complaints from parents about the length of time their child is on a waitlist, the lack of transparency with the waitlist system and the lack of portability of their child care fee subsidy. Increasing costs in the early years and child care system will also result in the continued erosion of the number of subsidized child care spaces the City can purchase on an annual basis. The Provincial announcement of a \$4M increase for Ottawa has resulted in our community being able to take more time to fully examine a change in local funding with our child care partners. What is important over 2014 is that we ensure new funds are equitably distributed in the community and that the process for distribution also anticipates future needs moving forward. It is

essential that we ensure that once a child (and family) have been approved and funded for subsidy that the system has adequately budgeted to maintain the fee subsidy for the lifecycle of the child's need (up to age 10 or 12).

#### **2.4.1.1 System Underutilization and Recovery of Unutilized Subsidies**

It is challenging to manage fee subsidies in the current system that lacks pre-approval and a formalized waitlist. The end result is that it is virtually impossible to fully utilize all subsidy dollars. This is related to delays in transfer of funds between agencies when parents change a care arrangement. It is also related to demographic and geographic issues. In some cases subsidies are tied to child care providers in areas of the community where the demand for fee subsidy is decreasing. In some situations it is more difficult for agencies to fill these spaces as many families who are eligible for a fee subsidy are not geographically accessible to the providers. These issues highlight the need to shift to a system that allows the subsidy to follow the child.

The 2014 budget process for child care providers begins with the recovery process for unused fee subsidies from 2013. In 2009 Council approved the Child Care Fee Subsidy Stabilization Plan. Staff were directed to: review the annual fee subsidy utilization for child care providers offering fee subsidy services; retrieve the unspent portion of the agency's subsidy budget; and decrease the under spent amount of the agency's budget in the following year. It has been the staff practice that agencies that contact the City with extenuating business circumstances do not experience a reduction in their budget for the following year. To increase the level of transparency and equity in the process for 2014 there will be no exemptions in the recovery of funds for agencies with more than a three percent variance. Staff will calculate, communicate and register the recovery amounts. At the same time staff will administer the annual budget process. When final confirmation of the 2014 provincial funds are determined, if the budget allows, unallocated funds will be re-invested through a separate process that gives all agencies with a contractual agreement with the City the opportunity to present a business case to clearly explain their requirement for additional funding. Staff will have authority to approve these adjustments within the established budget provision.

This new recovery process for 2013 was presented to the Stakeholder Reference Group in December 2013 and was well received. It includes the requirement for specific outcome measures that are attainable within 6 to 12 months. Special consideration will be given to the following types of proposals:

- Kindergarten conversion resulting in the development and delivery of pre-school programs (0-3.8) where there is verified demand for subsidized care
- Provision of subsidized care to vulnerable populations, such as:
  - Teen Parents
  - Children's Integration Support Services (CISS) eligible children
  - Head Start Programs
- Provision of Licensed Home Child Care Programs

Other priorities may be established based on emerging community need, changing provincial directions and the advice of the Expert Panel.

#### **2.4.1.2 Allocation of New Provincial Operational Funds**

Any new funding allocations will build on the process described above to ensure an equitable distribution to the most vulnerable children and families residing in neighbourhoods with the greatest level of low income and corresponding need for child care subsidy.

For the 2014 budget year, the City will recognize historic wage subsidy and pay equity proxy allocations. As part of the regular five-year review cycle with child care provider budget submissions, reallocations for wage subsidy through the new equitable payment for child care will be made in 2015. This is particularly challenging as many agencies have historically relied on these funds. Significant inequities in our system exist because new agencies have not been allocated any of these funds as they have not been increased on an ongoing basis by the Province. The City will need to consider how to link the existing wage subsidy dollars to child care operations that have more intensive staffing ratios required to provide care to infants, preschoolers and toddlers.

In an effort to minimize the municipal contribution required to maintain subsidized spaces, changes are required to the existing practice. However, in 2014, the City will continue with the existing practice to provide an annualized indexed rate for fee subsidy. As noted previously, staff will have authority to make these adjustments within the established annual approved budget from Council, taking into account any increased revenue from the Province. During 2014, staff will be working to review and revise the service agreements with child care providers to better reflect the City's mandate and to incorporate elements required by the new provincial guidelines.

#### 2.4.1.3 Development of New Municipal Funding Formula

Based on the feedback received from child care providers at the community consultation sessions and the ongoing feedback from the Stakeholders Reference Group, City staff have revised the recommendation for a standardized per diem rate for funding. Staff will continue to work with the Stakeholder Reference Group in 2014 and it is anticipated that the new funding formula will include a number of allowable expenses with maximum amounts such as:

- Staff wages and benefits (to be linked to age groups and number of licensed spaces as well as neighbourhood demand for subsidized child care)
- Lease and occupancy costs
- Utilities
- Administration (set percentage)
- Program and office supplies
- Resources to support program
- Food

As such, the notion of set allocations for wage subsidy no longer will apply. Following more detailed consultation with the Stakeholder Reference group, other municipalities and the child care providers in Ottawa both the types of allowable expenses and the maximum expenditure amounts will be finalized. This work is expected to be implemented for the 2015 purchase of service contract cycle.

The purpose of developing a new equitable payment for child care is to respond to the Provincial funding guidelines, to be financially accountable and to have efficient and standardized funding according to age grouping across the entire system. The intent of this work is to ensure that as many children as possible have access to subsidized child care. Over the next year, City staff will continue to work with child care providers to finalize the new municipal funding formula.

Licensed home child care has traditionally been treated differently and outside of funding established for centre-based care. As staff move forward in developing the funding formula during 2014, a more integrated approach will be needed to address funding issues for licensed home child care.

Finally, as the City develops new administrative practices and operational procedures for community-based child care providers to reflect these provincial changes, the City

must also ensure that municipal operations are compliant with the CMSM's response to provincial requirements.

### **2.4.2 Capital Funding**

New processes related to the distribution of capital funds are also linked to operational funding. This year the City conducted a more detailed review of capital requests against the requirements for retrofit and transformation funds. The next step will be to determine potential links between ongoing operational funding and capital funding. This will be done in consultation with the child care community. The City has flexibility to move funds from core service delivery to capital, but all funding decisions made must fit within the provincial capital funding guidelines. This requires a focus on the retrofit of existing child care spaces to serve younger age groups of children versus the creation of new child care within the community. There is no indication of a new provincial program with the specific purpose of increasing the number of new child care spaces in 2014. The City receives limited capital funding from the Province (\$1.4M in 2013) for all child care agencies to support the transformation of the system to support younger age groups.

The City also maintains a child care reserve fund and staff will review this program in 2015 and corresponding development charges. Given the changes in the provincial funding guidelines and the impending legislative changes the City's role in capital funding must be reviewed. This type of review related to child care capital has not occurred since the 1990's. Staff will be recommending an alignment of the child care capital and fee subsidy allocations with the practices used in other areas of the Community and Social Services Department and the City.

### **2.5 Waitlist Management System**

The technology that is currently available offers a registry for parents seeking a subsidized child care space. The City will be implementing a new technology platform with enhanced capacity to provide a waitlist management system for subsidized child care and a registry for full fee child care. Parents have requested that the new system allow easy navigation between subsidized and full fee options for child care. With respect to subsidized care, the City will determine the placements according to the established priority criteria and neighbourhood characteristics and demand. This is an important feature for the City of Ottawa as our need for subsidized spaces outweighs availability. For example, there are approximately 10,000 households on the current waitlist. Of those, 5,112 households have requested fee subsidies. The City is presently

able to fund 6,500 subsidized child care spaces. Because of the nature of child care (once approved a child is in the system until age 10 or 12 years), providers' vacancy rates for subsidy tend to be low. Parents may wait several months or years to access a subsidized space. The current waitlist management system is not meeting the requirements of parents because they have no indication of when they might expect to receive a subsidized child care space.

It is anticipated that some child care providers may use the new waitlist management system, but opt out of the registry for placement into non subsidized spaces. The planning and training for the new waitlist management system will take place from October 2013 to June 2014, with an anticipated implementation date of September 2014. Child care operators will be trained on how to use the new waitlist management system. Agencies wishing to enter into contracts for fee subsidy with the City will be required to adhere to the requirements of the new waitlist management system.

Parents will continue to be consulted through the Stakeholder Reference Group to ensure transparency and provision of feedback in a timely manner.

## **2.6 System Planning Priorities**

Staff will monitor several system planning priorities in order to respond to the community's request for integrated system planning and to ensure that low income families and children across Ottawa have priority access to child care fee subsidies.

### **2.6.1 Geographic Distribution**

Over the next five years the City will strive to achieve geographic distribution of fee subsidies based on the percentage of children in each Ottawa Neighbourhood Study<sup>4</sup> neighbourhood who live below the Low Income Cut Off (LICO) and who score as being vulnerable on two or more of the Early Development Index indicators.<sup>5</sup>

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<sup>4</sup> The Ottawa Neighbourhood Study provides neighbourhood data for 107 Ottawa Neighbourhoods and can be accessed through the following link: <http://neighbourhoodstudy.ca/>

<sup>5</sup> The Ottawa Parent Resource Centre coordinates the collection and dissemination of the Developmental Health at School Entry in Ottawa report, which can be accessed through the following link: [http://www.parentresource.ca/en/ottawaprc/Early\\_Development\\_Instrument\\_p562.html](http://www.parentresource.ca/en/ottawaprc/Early_Development_Instrument_p562.html)

## **2.6.2 Age Distribution**

Over the next five years the City will strive to achieve age proportionate distribution of fee subsidies among the following groups within each Ottawa Neighbourhood Study neighbourhood:

- Infants (0 to 18 months)
- Toddlers (19 months to 30 months)
- Preschool (31 months to 3.8 years)
- School age (3.9 years and up)

## **2.6.3 Francophone Funding**

The City will maintain the Francophone funding allocation proportionate to the Census demographic distribution of Francophone families with children aged 0-10.

## **2.6.4 Special Needs Funding**

The City will maintain Special Needs funding, proportionate to available funding.

## **2.6.5 First Nations/ Inuit/ Métis Families**

The City will maintain funding for First Nations/ Inuit and Métis families, proportionate to available funding.

## **2.6.6 Ottawa Early Intervention Programs - Head Start**

The City will maintain the Ottawa Early Intervention Programs (Head Start), proportionate to available funding.

## **2.7 Priority Criteria**

Due to limited provincial funding to support child care fee subsidies, the City of Ottawa must use priority criteria to establish eligibility and priority for access to fee subsidy. The priority criteria have been reviewed by both the Expert Panel and the Stakeholder Reference Group to ensure that subsidies are allocated to families most in need.

The priorities will be weighted, with an emphasis on families receiving social assistance or exiting social assistance for employment or education. The application of each family will be date-stamped to ensure a more timely access to fee subsidy.

### **2.7.1 Immediate Placement**

Both groups agreed that some families are in circumstances that demand immediate child care supports and these families should not be awaiting placement. The situations deemed to require immediate placement were:

- Children's Aid Society referrals
- Families fleeing abuse, and
- Families residing in or exiting Family Emergency Shelters

### **2.7.2 Financial Eligibility**

The next element for consideration, as required by the Provincial legislation, is financial eligibility. In order of priority, the following income levels will be prioritised:

- Social Assistance recipients (OW/ODSP)
- Families living below LICO (See Appendix G for details)
- Families earning between \$20,000 and \$40,000 (net)
- Families earning more than \$40,000 (net)

### **2.7.3 Qualifying Activity**

As per Provincial requirements, an individual or family must also be engaged in a qualifying activity before a child care fee subsidy is allocated. Qualifying activities include those related to employment or studying and training.

#### **2.7.3.1 Employment Activity**

In order of priority, consideration will be given to the following employment-related activities:

- Social assistance recipients who are exiting OW/ODSP for employment
- Social assistance recipients with eligible participation agreements
- Families with former child care subsidies returning from parental leave
- Full-time employment (more than 30 hours per week)
- Part-time employment
- Looking for employment

#### **2.7.3.2 Studying/Training Activity**

In order of priority, consideration will be given to the following training-related activities:

- Completing high school
- Social assistance recipients who are exiting OW/ODSP for post-secondary education
- Equivalency for Foreign Credentials
- Second Language Training
- Completing college/ apprenticeship
- Completing undergraduate work
- Completing graduate work

### 2.7.4 Other Priorities

The Consolidated Municipal Service Manager CMSM has discretion in defining other social priorities based on local needs. In collaboration with the Expert Panel, the following criteria for children have been identified as priorities.

- Single parent family
- First Nations / Inuit/ Métis family
- Child with documented Recognised Need
- Parent with documented illness or disability

It should be noted that provincial legislation requires prioritization regarding special needs.

## 3. Challenges and Opportunities for Ottawa's Child Care System

### 3.1 Full Day Kindergarten (FDK)

The introduction of Full Day Kindergarten (FDK) in 2009 was a significant policy shift in the Province of Ontario that has had an impact on the early learning and child care sector. School boards now have an increased role in the direct delivery of early learning and child care as 4 and 5 year old children participate in FDK and access before and after care at their schools.

With four school boards in the City, clear lines of communication between the City, child care providers, and school boards must be developed and maintained. Coordination and planning for the early learning and child care needs of Ottawa's youngest residents must be achieved in collaboration with key stakeholders. There is an expectation that school boards submit plans to the City as CMSM for approval. It is the intent of the City to involve the broader community in this planning through the Stakeholder Reference Group.

The Province has acknowledged that some child care agencies will potentially close due to the provincial changes related to Full Day Kindergarten. The 4 and 5 year olds that child care agencies relied upon to keep their centres viable (due to lower staffing ratios) are now being served through the school system. This means that child care providers need to reconfigure their services to better suit younger children or to respond to other child care needs, such as access to child care during 'alternate hours'. Other factors that child care providers may need to consider are: attracting full fee paying parents; diversifying target groups; and relocating to geographic areas with greater child care

needs. The City has limited capacity to support agencies with provincial capital funding for renovations to retrofit their space to accommodate such changes.

### **3.2 Proposed *Child Care Modernization Act, 2013***

The *Child Care Modernization Act, 2013* identifies an increased role for the City as a Consolidated Municipal Service Manager (CMSM). It also requires increased collaboration with the school system to support early learning planning.

City staff have a number of concerns regarding the change in language from Delivery Agent to CMSM, the entrenchment and expansion of the CMSM role within the Act and the requirement of the CMSM to maintain the Provincial Interest (a much expanded role).

The new legislated duties of the City and the change in the City's role from a "delivery agent" under the *Day Nurseries Act* to a "service manager" under the *Child Care Modernization Act, 2013*, impose a much heavier onus on the City and its resources.

Under the *Day Nurseries Act* the City is not legislated to deliver or to fund any fee subsidies or child care services. Historically, the City has opted to enter into a service agreement with the Province under Subsection 7.2 (1) of the *Day Nurseries Act* so that the City was then bound to administer and fund fee subsidies and child care services in accordance with the provincial service agreement that had an appropriate termination clause.

Under the *Day Nurseries Act* the City had the option of scaling back its fee subsidy management policy and child care services delivery model in the event that the City did not have sufficient resources to administer and to fund child care subsidies and services. With the new mandated service manager duties under Sections 51 and 56 of the *Child Care Modernization Act, 2013*, the City no longer has this option. This is an example of provincial downloading, particularly if these requirements are expected to be carried out within existing resources.

City staff will be preparing a separate response for submission to the Province in response to the proposed Bill 143. Appendix A summarizes the sections of the *Child Care Modernization Act, 2013* of particular concern to staff.

### 3.3 Child Care Sector Capacity

Throughout the Child Care Modernization process, it is critical to maintain the existing number of licensed child care spaces in the City. This is why the City is developing transitional funding for agencies with purchase of service agreements.

During the consultations, staff heard that the City needs to work collaboratively with the sector to plan and manage the child care system more effectively. When the new waitlist management system is established, neighbourhoods requiring access to additional child care will become evident. The new waitlist management system will also have the ability to demonstrate how many parents need child care during alternate hours, or who have other needs. This will allow the City to better manage the system as well as giving providers access to detailed information on the needs of parents and children requiring care.

### 3.4 Performance Measures

As part of the new purchase of service contracts with child care agencies, the City will be identifying specific performance measures and introducing a requirement for business plans. The performance measures will be based on the following components:

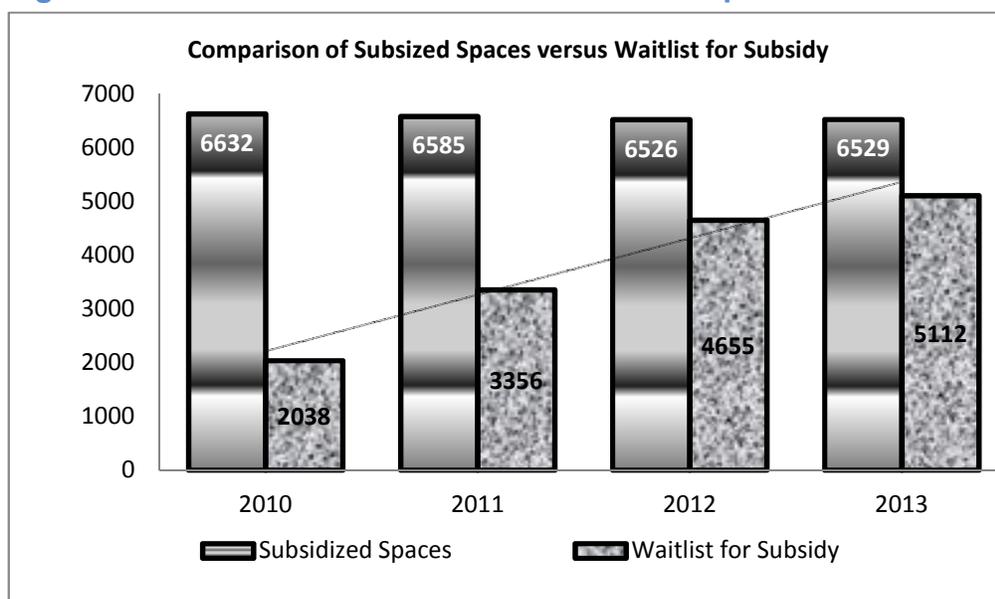
- Provincial licensing and quality frameworks;
- Continuous service improvement; and
- Efficient service provision.

Agencies will be required to submit a business plan to the City of Ottawa to address why they are over the Provincial cost-shared funding allocation, and to determine if it is possible to modify their programs and services to operate within the Provincial cost-share allocation. It is possible that some providers will not be able to operate within the Provincial cost-share allocation and the City will work with all providers collectively to identify possible cost pressures within the transitional funding that will require ongoing support and possible municipal investment. The City is working with the Stakeholder Reference Group to identify factors that are controllable and non-controllable over the first year of the transition. It is expected that City-operated child care programs operate within the same funding structures as community-based providers.

### 3.5 Fiscal Pressures

The City has seen a significant increase in demand for child care fee subsidies from 2,038 in 2010 to 5,112 in 2013. However, provincial funding for child care fee subsidies has not increased proportionately to the increase in need. Figure 3 provides details on the distribution of spaces in the community.

**Figure 3: Child Care Wait List and Subsidized Spaces in Ottawa**



The new provincial funding guidelines acknowledge that inflation will be taken into account, but only if additional funds are available. When provincial funding does not increase with inflation, the amount of fee subsidies which the City can purchase decreases.

The City must optimize how provincial funding is allocated. The City now has more discretion as to how funds will be allocated to agencies and is committed to supporting the child care sector and agencies located in underserved areas to maximize care and services for the most vulnerable children in our community.

The City anticipates that with the new wait list technology, staff will have a more comprehensive assessment of child care needs. The City will be much better positioned to advocate for increased Provincial investment in child care and to ensure that Ottawa secures its share of provincial funding.

## 4. Conclusion

The City's Child Care Modernization Framework was developed in response to the provincially legislated changes. This five year roadmap represents a rebuilding of the administration of Ottawa's early learning and child care system and will result in the transformation of the child care community in Ottawa.

The most significant changes for 2014 include the introduction of the following elements:

- Development of the new funding formula;
- Review of Municipal Child Care Program;
- Waitlist management system; and
- Placement coordination services for parents and children.

The City is committed to transparency and to working with parents and the child care sector during this significant transition for the local child care system.

## **Appendix A: *Child Care Modernization Act, 2013* Summary of CSM and Provincial Interest Proposals**

On December 3, 2013, the Minister of Education announced the new *Child Care Modernization Act, 2013* which, if passed, will:

- Repeal and replace the ***Day Nurseries Act***, which governs licensing and child care provision;
- Amend the ***Education Act***, specifically with respect to School Boards providing after-school programming for 6-12 year olds; and
- Amend the ***Early Childhood Educators Act***, which governs the Early Childhood Educators' profession and will enhance accreditation of child care providers.

If enacted the *Child Care Modernization Act, 2013* would:

- Provide the government with greater authority and enforcement tools to strengthen oversight and enhance safety;
- Increase access to spaces in licensed child care settings;
- Provide clarity around programs which will not require a license; and
- Enhance quality with a focus on safety and accreditation.

Specifically for the City, the *Child Care Modernization Act, 2013* would:

- Formally identify the City as the CSM (system manager). The City would now have a defined role in managing subsidy which was not previously the case.
- Increase the City's role in system planning by requiring the City to develop plans for child care in coordination with other community and human services (for example, school boards). This includes plans for full-fee care in addition to subsidized child care. The City would no longer be solely a delivery agent.
- Extend the responsibility of the City to assess child care and early years programs for economic viability.
- Add responsibility for the City to review and comment on applications for licensure.
- Increases the City's responsibility to reflect and address matters of provincial interest articulated in the new legislation in service planning and system management.
- Formalizes the requirement for the City to consult with school boards and other prescribed persons defined in the regulations.

### **LEGISLATIVE HIGHLIGHTS:**

#### **The Consolidated Municipal Service Manager (CSM) Role**

The *Child Care Modernization Act, 2013* offers a clear statement on CSMs in the role of service planning and moving to a more coordinated service planning approach across community and human services.

- The *CCMA* provides a more locally coordinated approach to child care legislation than the *DNA*, and puts CMSMs in a service planning role rather than just a delivery role.
- Service managers together with their partners should lead local initiatives to address the various needs of their communities, establish connections among child care and early years programs and services, and plan for the delivery of a continuum of such programs and services."
- The Act clearly lays out the requirement for school boards and other prescribed parties to work with service managers in the local planning process. This is a helpful tool as service managers continue with the implementation of full day kindergarten.

### **Provincial Interests**

Section 49 promotes an approach to the development and delivery of child care that is based in early learning and child care pedagogy, partnerships and social and economic sustainability of families and communities in all areas of the province. It indicates a number of provincial interests that must be reflected in local planning and service management processes, including:

- Focus on Ontario's children and families; promoting the health, safety and well-being of children; providing high-quality experiences and positive outcomes for children by including a common approach to pedagogy across Ontario; and including knowledgeable, self-reflective and qualified professionals and staff, including members of the College of Early Childhood Educators.
- Respond to communities' needs by: providing services both for families who receive financial assistance for child care and for families who do not receive such financial assistance; providing a range of service options to support parents who are part of the workforce, such as options that address varied working hours and arrangements; and providing centre-based and home-based options for families in relation to the receipt of licensed child care.
- Respect equity, inclusiveness and diversity in communities and the particular qualities of: Aboriginal, First Nations, Métis and Inuit communities; Francophone communities; and urban, rural, remote and northern communities.
- Provides for strong and sustainable partnerships among the Province, service managers and others in the community; is coordinated with other community and human services; is flexible and able to adapt to local circumstances and supports the social and economic well-being of Ontarians is supported; ensures appropriate accountability for public funding; and supports the transition from child care and early years programs and services to school.

### **Local Plans and Service Manager Duties**

A requirement within the *Child Care Modernization Act, 2013* is that each service manager must have a child care and early years programs and services plan for its service area (section 51.(1)):

- The plan must: address the matters of provincial interest as specified under the act; and be consistent with any policy statements that may be issued by the Minister in the future for the purpose of guiding service managers in developing

and implementing their child care and early years programs and services plans (section 51.(2)).

- In developing the plan, the service manager must consult with school boards and other prescribed persons defined within the regulations, who are legislated within this Act to cooperate with the Service Manager (section 51.(4)).
- Prior to implementation, the plan must be approved by: the council of the municipality; or by the members of a district social services administration board, if the service manager is such a board (section 51.(5))

The *Child Care Modernization Act, 2013* section 56 outlines the specific duties of a service manager, including:

- Develop and administer local policies respecting the operation of child care and early years programs and services;
- Administer the delivery of financial assistance provided by the Minister;
- Coordinate the planning and operation of child care and early years programs and services with the planning and provision of other human services delivered by the service manager; and,
- Assess the economic viability of the child care and early years programs and services in the service area and, if necessary, make or facilitate changes to help make such programs and services economically viable.

Finally, section 57 outlines the general powers of a service manager including with a new authority to:

- Evaluate and assess the impact of public funding.

## Appendix B: List of Expert Panel Committee Members

1. Chair: Colleen Hendrick	Manager Strategic Community Initiatives Branch Community and Social Services Department City of Ottawa
2. Stefania Maggi, Ph.D.	Associate Professor Dept of Psychology & Institute of Interdisciplinary Studies Carleton University
3. Elizabeth Kristjansson, Ph.D.	Associate Professor School of Psychology Institute of Population Health University of Ottawa
4. Dafna E. Kohen, Ph.D.	Chief and Sr. Research Analyst, Health Analysis Division, Statistics Canada
5. Cintia Quiroga, Ph.D.	Postdoctoral Fellow Research Institute, Children's Hospital of Eastern Ontario University of Ottawa
6. Huguette Tessier	Public Health Nurse Ottawa Public Health City of Ottawa
7. Marlynne Ferguson	Manager Direct Operations Branch Community and Social Services Department City of Ottawa
8. Leonore Evans	Policy Research Analyst Strategic Community Initiatives Branch Community and Social Services Department City of Ottawa

**Appendix C: List of Stakeholder Reference Group Committee Members**

<b>Representative</b>	<b>Agency</b>	<b>Sector Representative</b>
1. Cheryl Heywood	Community Child Care	Licensed Home Child Care/ LHCCN network
2. Cori Thompson-Smith	Ottawa Head Start Agency	OCHAP Representative – Head Start Programs
3. Cynthia Magloughlin	Dalhousie Parent’s Daycare Centre	Urban/ Coops representative
4. Eleanor Heap	Ottawa Carleton District School Board	School Board
5. Francine Beaudoin	La Coccinelle	Large multi-centre agency /Francophone community
6. Karen Baker-Anderson	Ottawa Inuit Children’s Centre	Aboriginal/Inuit/ First Nations network Small operator
7. Kelly Paolozzi	Parent Resource Centre	Parent Resource / network
8. Kim Hiscott	Andrew Fleck Child Care Services	Large operator/ networks: Best Start Steering committee chair - OEYC and CCC
9. Marie Anne Saucier	Conseil des écoles publiques de l’Est de l’Ontario	School Board /Francophone community
10. Moira D'Aoust	Children’s Integration Support Services, Andrew Fleck Child Care Services	Special needs resource networks
11. Shelley Bond	City View Child Care and Family Centre	Large operator/ network- Chair of Child Care Council
12. Suzanne Dugas	Les services à l’enfance Grandir ensemble	Large multi-centre agency /Francophone community
13. Tamara Brown	Brown Bear Day Care	For Profit provider
14. Terry Maclver	Children's Place - KANCAR Community Children’s Centre Inc.	Large operator/Non traditional child care - 24 hour service
15. Karen Guite	Ottawa Catholic School Board	School Board
16. Lise Vézina	Le Regroupement	Francophone community/ network
17. Parents		
18. Tracey Saikaley	City of Ottawa	CMSM
19. Paul Sauve	City of Ottawa	CMSM
20. Marlynne Ferguson	City of Ottawa	CMSM
21. Rachelle Clark	City of Ottawa	CMSM

### Appendix D: Number of Children in Ottawa

<b>Age</b>	<b>Number of Children</b>	<b>Cumulative Number of Children</b>
<b>Under 1 year</b>	9,545	9,545
<b>1 year</b>	9,845	19,390
<b>2 years</b>	9,855	29,245
<b>3 years</b>	9,995	39,240
<b>4 years</b>	9,900	49,140
<b>5 years</b>	9,550	58,690
<b>6 years</b>	9,835	68,525
<b>7 years</b>	9,985	78,510
<b>8 years</b>	9,815	88,325
<b>9 years</b>	9,575	97,900
<b>10 years</b>	9,675	107,575

Source: Statistics Canada 2011 census

## Appendix E: Social Assistance in Ottawa

**Table 1: Families Receiving Social Assistance in Ottawa (2013)**

	Recipients	Total Beneficiaries	Children
Ontario Works	16,412	30,622	5,395 (0-6 years) 3,480 (7-12 years)
Families with children	6,077		
Sole support families	4,718 (80%) 80% have children aged 0-12		
Ontario Disability Support Program	24,313	36,765	1,765 (0-6 years) 2,762 (7-12 years)
<b>Total numbers</b>	<b>40,725</b>	<b>67,387</b>	<b>13,402</b>

Source: City of Ottawa, 2013

**Table 2: Comparison of Social Assistance Income and 2012 LICO Rates**

	Maximum Social Assistance Rates*					
	Ontario Works (OW) Effective October 1, 2013			Ontario Disability Support Program (ODSP) Effective September 1, 2013		
	Monthly (2013)	Annual (2013)	% of LICO**	Monthly (2013)	Annual (2013)	% of LICO**
Sole support Parent with 1 Child under 12	\$940	\$11,280	47%	\$1,503	\$18,036	76%
Sole support Parent with 2 Children under 12	\$992	\$11,904	40%	\$1,566	\$18,792	63%
Couple with 2 Children under 12	\$1160	\$13,920	38%	\$1,779	\$21,348	58%

Source: City of Ottawa

\* Does not include Federal or Provincial tax credits

\*\* 2012 LICO after-tax (see Table 3)

**Table 3: 2012 Low Income Cut Off (LICO) Rates\***

2 persons	\$23,850
3 persons	\$29,699
4 persons	\$37,052
5 persons	\$42,191
6 persons	\$46,791
7 or more persons	\$51,391

Source: Statistics Canada

\*Note: for a Census Metropolitan Area with 500,000 or more residents (after tax)

## Appendix F: List of Ottawa Early Intervention Programs

Ottawa Early Intervention Program	Ward
1. Carlington Annavale Headstart Nursery School	16
2. Ottawa Children's Aid Society Headstart Nursery	11
3. Cornerstone Children's Centre	10
4. Hawthorne Meadows Nursery School	18
5. Nanny Goat Hill Nursery School and Queensway Preschool	14 & 15
6. Pinecrest Queensway Nursery School	7
7. Heatherington Nursery School	10
8. Ottawa Inuit Children's Centre	12
9. Foster Farm Municipal Child Care Centre	7
10. Esther By Municipal Child Care Centre	16

Source: Ottawa Early Intervention Program Report, 2012

## Appendix G: Principles for Child Care Modernization

These principles support the City of Ottawa’s 2013-2017 Child Care Modernization Framework, and are in alignment with the Provincial Early Years Policy Statement.

<b>Principle</b>	<b>What This Means</b>
1. Parental Choice	<ul style="list-style-type: none"> <li>• Implement a gradual shift to ‘floating subsidies’; the subsidy follows the child</li> <li>• Families can choose where their child receives subsidized care</li> </ul>
2. Priority Access to Subsidy	<ul style="list-style-type: none"> <li>• Preserve access to child care in underserved neighbourhoods</li> <li>• Develop a prioritised waitlist for subsidy               <ul style="list-style-type: none"> <li>○ All applications are date stamped</li> <li>○ Application process is streamlined</li> </ul> </li> </ul>
3. Unique Needs	<ul style="list-style-type: none"> <li>• Focus on families most in need, including children with documented Special Needs, and children from First Nations/Métis/Inuit families</li> <li>• Maintain Francophone funding allocation proportionate to the census Francophone population with children aged 0-10</li> <li>• Maintain Head Start programs</li> </ul>
4. System Accountability	<ul style="list-style-type: none"> <li>• Establish a standardized funding formula</li> <li>• Develop purchase of service contracts with agencies, including performance measures to demonstrate that the agency meets:               <ul style="list-style-type: none"> <li>○ Provincial licensing and quality frameworks</li> <li>○ Continuous service improvements</li> <li>○ Efficient service provision</li> </ul> </li> <li>• Major and minor capital funding allocation to agencies meeting operating performance measures</li> </ul>
5. System Sustainability	<ul style="list-style-type: none"> <li>• Operate within approved budgets</li> <li>• Assist agencies to remain viable with 3 year Transitional Funding</li> </ul>
6. Integrated Planning	<ul style="list-style-type: none"> <li>• Support system planning with school boards and community partners</li> <li>• Apply evidence based decision-making</li> </ul>
7. Transparency and Engagement	<ul style="list-style-type: none"> <li>• Consult with community partners and parents on an ongoing basis</li> </ul>

## Appendix H: Child Care Modernization Framework

### **1. System Planning and Continuous Improvement**

**Goal:** To develop an annual service plan and local policies within the parameters of legislation, regulations, standards and policies established by the Ministry of Education

**Key Activities:**

1. Develop a consultation strategy that includes a Stakeholder Reference Group, an Expert Panel and an ongoing community engagement plan with key stakeholders
2. Develop an annual service plan to address changing needs for child care in the community
3. Develop annual performance measurement and continuous improvement practices

### **2. Prioritized Access to Subsidy**

**Goal:** To ensure child care fee subsidies are directed to the most vulnerable children

**Key Activities:**

1. Develop and implement a new child care waitlist management system
2. Redesign the service delivery model for child care fee subsidies

### **3. Financial Management**

**Goal:** To be financially accountable and transparent in the management of the local child care system

**Key Activities:**

1. Redesign the purchase of service contracts for child care providers
2. Develop a new funding formula with a per diem rate and transitional supports
3. Develop and implement operational procedures and administrative practices to support Provincial funding guidelines

### **4. City Operated Child Care Programs**

**Goal:** To preserve programs and services in under serviced neighbourhoods

**Key Activities:**

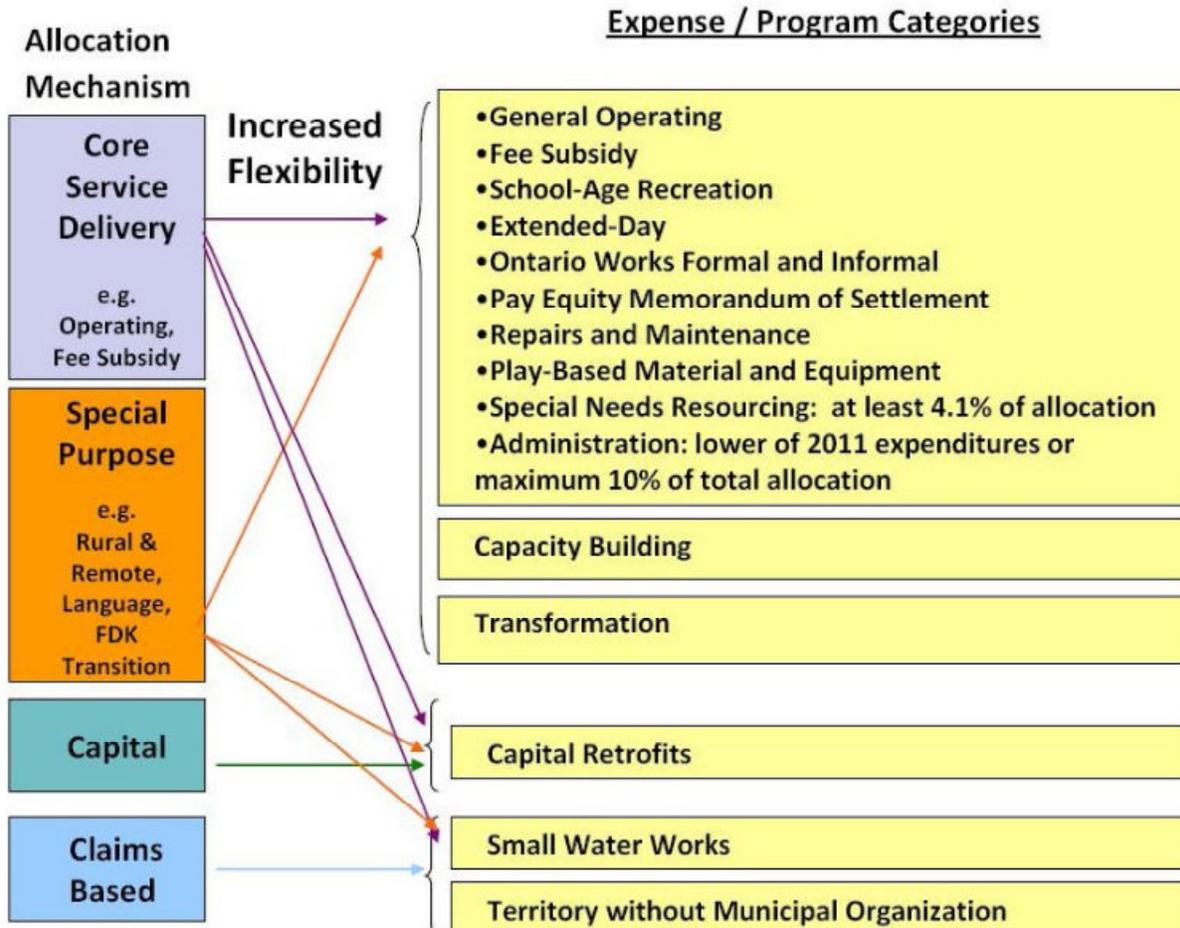
1. Conduct operational reviews to ensure efficient and effective programs and services
2. Recommend community-based investments

## Appendix I (1): Detailed Description of Provincial Funding Categories

Category	Description
Core Service Delivery	Supports child care operating costs and includes a mix of 100 per cent provincial dollars and dollars that must be cost shared with municipalities, with municipalities paying either a 20 or 50 per cent share, depending on its use. The Core Service Delivery Allocation makes up 78 per cent of the total provincial funding and is used to support the availability of licensed child care for all parents and access to fee subsidy. The Special Purpose allocation (21 per cent of the total) supplements the Core Service Delivery allocation by supporting the unique costs of providing services in prescribed areas and to certain target populations.
Special Needs Resourcing	CMSMs are required to continue serving children with special needs by spending <b>at least 4.1 percent</b> of their total child care allocation on Special Needs Resourcing.
Pay Equity	As a result of the Memorandum of Settlement, the Province announced additional proxy pay equity funding for eligible non-profit service providers. In order to be eligible, child care programs were required to: <ul style="list-style-type: none"> <li>• have a proxy order from the Pay Equity Commission;</li> <li>• have posted pay equity plan(s) based on proxy comparisons;</li> <li>• have current and/or outstanding proxy obligations; and</li> <li>• receive funding through CMSMs and DSSABs to provide child care.</li> </ul>
Transformation Expense	Transformation is intended to cover one-time costs for non-profit child care operators, including licensed child care centres and PHDC agencies that are involved in <b>business transformation activities</b> and/or require business transformation supports.
Capacity Building Expense	Capacity building funding is intended to support professional development opportunities that build the capacity of licensed child care operators, supervisors, program staff/caregivers, home visitors, home child care providers and non-profit volunteer board members to support the provision of high quality programs for children ages 0 to 12. High quality child care programs are child-centred and provide environments and experiences to engage children in active, creative and meaningful exploration and learning.
Capital Retrofits	Capital retrofit funding is to help transition and modernize the child care sector as it adapts to the implementation of FDK. This funding should focus on strengthening the child care system, promoting longer-term sustainable child care services and supporting stable fee structures to help better meet the needs of children and families.
Small Water Works	Small Water Works (SWW) funding supports costs related to small water systems for licensed child care centres.

## Appendix I (2): Flexibility of Provincial Child Care Funding

The diagram below, taken from the Ontario Child Care Service Management and Funding Guideline 2013, shows the expense categories for each component, and the flexibility that is allowed under the new framework. The arrows indicate where money can be moved from one component to another by municipalities as required.



Ontario Child Care Service Management and Funding Guideline, 2013, p. 10

The Claims-based allocations are for areas without municipal organization and do not apply to Ottawa.