

**Report to  
Rapport au:**

**Community and Protective Services Committee  
Comité des services communautaires et de protection  
19 April 2018 / 19 avril 2018**

**and Council  
et au Conseil  
25 April 2018 / 25 avril 2018**

**Submitted on April 12, 2018  
Soumis le 12 avril 2018**

**Submitted by  
Soumis par:**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2018-CSS-GEN-0005**

**SUBJECT: Child Care and Early Years Transformation**

**OBJET: Transformation des services de garde d'enfants et à la petite enfance**

## **REPORT RECOMMENDATIONS**

**That the Community and Protective Services Committee recommend Council:**

- 1. Delegate authority to the Manager, Children's Services, to manage and administer the budget as detailed in this report and allocate all funding according to the Funding Policy Statements in Document 1 provided such allocations are in accordance with provincial guidelines, based on**

the needs analysis, sector consultation and are within approved budgets.

2. Delegate authority to the Manager, Children's Services, to extend the EarlyON transition period for up to six (6) months (up to June 30, 2019) if necessary, as detailed in this report.
3. Approve the creation of up to 4.0 full-time equivalent (FTE) positions for which funding is available from the Journey Together program (Ministry of Education) and up to 4.0 full-time equivalent (FTE) positions for which funding is available from the Fee Stabilization program (Ministry of Education).

## **RECOMMANDATIONS DU RAPPORT**

Que le Comité des services communautaires et de protection recommande au Conseil :

1. de déléguer au gestionnaire des Services à l'enfance le pouvoir de gérer et d'administrer le budget conformément au présent rapport et d'allouer le financement selon les énoncés de politique sur le financement (voir document 1), pourvu que les allocations respectent les lignes directrices provinciales et les budgets approuvés tout en tenant compte de l'analyse des besoins et de la consultation du secteur.
2. de déléguer au gestionnaire des Services à l'enfance le pouvoir de prolonger la période de transition prévue pour les centres ON y va de six (6) mois s'il le faut (soit jusqu'au 30 juin 2019), comme l'indique le présent rapport.
3. d'approuver la création de jusqu'à 4 postes équivalents temps plein (ETP) financés par le budget de Cheminer ensemble et jusqu'à 4 postes équivalents temps plein (ETP) financés par le budget du financement de soutien à la stabilisation des frais (ministère de l'Éducation).

## **EXECUTIVE SUMMARY**

### **Assumption and Analysis**

Child care is the caring for and supervision of children (ages 0-12) in licensed settings (home child care or centre-based child care) as well as before and after school programs. These services allow families to return to the workforce or school and provide

quality services that foster the development of children. Families can also apply for fee subsidies to receive assistance with the cost of child care. Child and family programs, also referred to as early years services, are free-of-charge programs that provide opportunities for children (ages 0 to 6) to participate in play and inquiry-based programs with parents / caregivers in attendance. These programs also offer workshops and pre- and post-natal supports that assist parents / caregivers in their roles and facilitate access to information and specialized services as needed.

The Province continues to modernize and transform child care and early years services in an effort to enhance programs and supports for children from 0-12 years of age. Recent changes have included new capital and financial investments to increase child care access and affordability, the transformation of child and family programs and a commitment to increase Indigenous child care and early years services.

As Consolidated Municipal System Manager (CMSM), the City of Ottawa is responsible for the planning and management of a local child care and early years system that responds to local needs and aligns with the Province's vision.

This report provides updates related to child care, early years and the Journey Together, and outlines the new funding framework for the early years services for Council approval.

For child care services, the Province provided the City with an additional \$13.6M in 2017 under the Child Care Expansion Plan (CCEP) and Canada-Ontario Early Learning and Child Care Agreement (ELCC) to support additional fee subsidies and increase child care access and affordability. In 2018, this allocation increased by an additional \$10.3M. This will significantly reduce and possibly eliminate the waitlist while also helping service providers increase access and affordability. The Province also allocated \$4.4M for a new program called Fee Stabilization to help offset the cost of the minimum wage increase for any staff employed by child care service providers who were earning under \$14 an hour prior to January 1, 2018.

For the child and family programs, the Ministry of Education announced the transformation of Ministry-funded child and family programs into an integrated system of services and supports for children ages 0-6 and their parents and caregivers. The new system that the City became responsible for as of January 1, 2018 is now known as EarlyON Child and Family Centres. The total 2018 provincial funding allocation for Ottawa is \$9.6M. This represents an increase of \$2.9M from 2017, reflecting the scope of the new system transfer. With maintaining the 100% municipal investment (\$1.0M) the total funding envelope is \$10.7M. The City led the planning for this transformation and submitted a Needs Analysis and Initial Plan to the Province. To summarize the needs

analysis, families outlined they are looking for more locations / less travel time, extended and flexible hours including nights and weekends, and additional playgroups. Council (ACS2017-CSS-GEN-0007) approved a one-year transition plan in order to minimize service disruption and to allow additional time to work with community partners to structure and build the new system.

The City continued to engage with the EarlyON Advisory Group to build the new EarlyON funding framework and to discuss 2018 budget priorities. Staff are recommending a funding framework that includes the establishment of service areas, a service complement that aligns with the needs analysis from families, and an evidence-based funding formula that will allocate funding proportionally across the City. The framework will ensure services are responsive to the needs of individual communities and that additional services are provided to areas of the City with vulnerable families. The City will then accept applications from service providers and enter into contribution agreements in accordance with the Council approved framework and provincial guidelines.

The Journey Together represents a provincial commitment to increase the number of culturally relevant licensed child care spaces and expand access to child and family programs for Indigenous children and families living off-reserve in Ontario. Local Indigenous organizations, supported by the City, conducted needs assessments with their respective constituency groups and prepared individual proposals to address the local needs for submission to the Province. Five local Indigenous organizations were successful with a total allocation for 2018/19 of \$9.6M. This funding will support the creation of 49 new licensed child care spaces and four child and family programs that will serve approximately 2,270 people.

Staff recommend that Council delegate authority to the Manager, Children's Services, to manage and administer the budget as detailed in the report and allocate all funding according to the Funding Policy Statements in Document 1 provided such allocations are in accordance with provincial guidelines, based on the needs analysis, sector consultation and are within approved budgets.

City staff are also recommending the creation of up to 8.0 full-time equivalent (FTE) positions for the administration related to the work required to meet provincial expectations and manage the additional responsibilities/contribution agreements. These positions are 100% funded from provincial funding.

### **Public Consultation/Input**

The implementation and findings of the engagement strategy related to the planning of the new EarlyON Child and Family Centres was documented in a recent Council report (ACS2017-CSS-GEN-0007). It included an environmental scan and consultation with service users and providers of child and family programs

Consultation with the sector is an important component of the process informing the integration and transformation of the local child care and early years system in Ottawa. Since the onset of the early years transformation, the City of Ottawa has actively engaged with the early years sector. This included information sessions, the creation of an early years planning advisory group, and engaging with over 2,000 service users (parents and caregivers) to develop a needs analysis.

In September 2017, Children's Services created an integrated Child Care and Early Years System Planning Advisory Group (Advisory Group). The Advisory Group includes representation from child care service providers, preschool/nursery schools, early years providers, school boards, Francophone and Indigenous service providers, and those who provide services to children with special needs. The Advisory Group provides advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa. Sub-groups have also been created to focus on specific key priorities/areas. The Advisory Group will be a key partner in informing the development of a Service System Plan (2019) and ensuring alignment with the renewed provincial framework. The City also continues to work with the Indigenous & Francophone planning groups to ensure active engagement and consultation in the planning, management and delivery of culturally responsive programs and services.

In 2018, the City will consult with families and users of child care and early years services to develop a needs analysis to identify service gaps and opportunities for the Service System Plan (2019).

## **BACKGROUND**

Child care is the caring for and supervision of children (ages 0-12) in licensed settings (home child care or centre-based child care) as well as before and after school programs. These services allow families to return to the workforce or school and provides quality services that foster the development of children. Families can also apply for fee subsidy to receive assistance with the cost of child care. Child and Family programs, also referred to as early years services, are free-of-charge programs that provide opportunities for children (ages 0 to 6) to participate in play and inquiry-based programs with parents / caregivers in attendance. These programs also offer workshops

and pre- and post-natal supports that assist parents / caregivers in their roles and facilitate access to information and specialized services as needed.

As Consolidated Municipal System Manager (CMSM), the City of Ottawa is responsible for the planning and management of a local child care and early years system that responds to local needs and that is aligned with the Province's vision. The provincial child care and early years landscape has undergone significant transformational changes over the last several years.

The ongoing provincial child care modernization aims to enhance programs and supports for children from 0-12 years of age. Changes to date have included: the implementation of full day kindergarten, the enactment of the [Child Care and Early Years Act, 2014 \(CCEYA\)](#), the expansion of before and after school care for children 6-12 years of age, the introduction of *How Does Learning Happen?* as the framework for quality and pedagogy, the implementation of a new funding formula for Service Providers and a new fee subsidy model that allows for parental choice. In 2013, City Council approved the report titled "*City Strategy to Respond to Provincial Requirements for Child Care Modernization*" (ACS2013-COS-CSS-0001), which outlined the local five-year child care modernization framework developed in response to provincial changes. In 2016, City Council also approved the report titled "*Child Care Service Plan 2016-2017*" (ACS2016-COS-CSS-0007), which summarized key accomplishments to date and introduced the 2016-2017 Child Care Service Plan.

In 2016, the Province announced a major Child Care Expansion Plan (CCEP), which represents a commitment by the Ontario government to support access to licensed child care for 100,000 more children 0-4 years of age across the province over the next five years beginning in 2017. In 2017, the Province also released details on Ontario's Action Plan under the Canada-Ontario Early Learning and Child Care Agreement (ELCC), which aligns with the Expansion Plan. The ELCC funding increases subsidies and access to licensed child care in Ontario. The majority of this investment targets children aged 0-6 years old, with a smaller portion supporting broader system priorities for children aged 0-12.

CCEP and ELCC funding must be used to support the following priorities (in order):

1. To support additional fee subsidies
2. To increase access to licensed child care

3. To create and support new not-for-profit community-based capital projects (only ELCC funding)
4. Increase child care affordability

In 2017, the Ministry of Education released the [Ontario's Renewed Early Years and Child Care Policy Framework](#). The framework builds on the recent provincial modernization efforts and sets a vision for a system in which all children and families have access to a range of high-quality, inclusive and affordable early years and child care programs and services that are child- and family-centred and contribute to children's learning, development and well-being.

The Framework introduces four (4) pillars (Access, Responsiveness, Affordability, and Quality) and seven (7) key areas of action:

1. Increasing access to early years and child care programs and services
2. Ensuring a more affordable early years and child care system
3. Establishing an early years workforce strategy
4. Determining a provincial definition of quality in the early years
5. Developing an approach to promoting inclusion in early years and child care settings
6. Creating an outcomes and measurement strategy
7. Increasing public awareness of Ontario's early years and child care system

With respect to early years services, in 2016, the Ministry of Education announced the transformation of Ministry-funded child and family programs into an integrated system of services and supports for children ages 0-6 and their parents and caregivers, now known as EarlyON Child and Family Centres. The total 2018 provincial funding allocation for Ottawa is \$9.6M. This represents an increase of \$2.9M from 2017, reflecting the scope of the new system transfer. With maintaining the 100% municipal investment (\$1.0M), the total funding envelope is \$10.7M. As CMSM, the City of Ottawa was responsible for the planning and integration of the new system, the submission of a Needs Analysis and Initial Plan to the Province by September 29, 2017, and the implementation of the new system by January 1, 2018. To summarize the needs analysis, families outlined they are looking for more locations / less travel time, extended and flexible hours including nights and weekends, and additional playgroups. Following this environmental scan and

consultation with service users and providers of child and family programs, Council approved the report titled “Ontario Early Years Child and Family Centres” (ACS2017-CSS-GEN-0007) which implemented a one-year transition plan in order to maintain existing services to allow additional time to work with community partners to structure and build the new system.

In 2016, the Government of Ontario released [The Journey Together: Ontario's Commitment to Reconciliation with Indigenous Peoples](#), which outlines the Province's plan to respond to the Truth and Reconciliation Commission's findings and Calls to Action, address the legacy of the Residential Schools and reconcile relationships with Indigenous Peoples in Ontario. The Journey Together represents a commitment to increase the number of culturally relevant licensed child care spaces and expand access to early years programs for Indigenous children and families living off-reserve in Ontario. As CMSM, the City had the responsibility to support and coordinate local planning efforts. Local Indigenous organizations conducted needs assessments with their respective constituency groups and prepared individual proposals to address the local needs for submission to the Province by September 29, 2017 (ACS2017-CSS-GEN-0007).

## **DISCUSSION**

This report provides updates related to child care, early years and Journey Together as well as outlining the new EarlyON funding framework for early years services for Council approval.

The Ministry of Education requires CMSMs to develop a new Child Care and Early Years Service System Plan by June 30, 2019 to address new requirements as set out by the Province. The service plan needs to include an environmental scan that assesses current and future service gaps and opportunities, a commitment to consult at regular intervals and the development of outcomes that are responsive to community needs and how those will be achieved.

Consultation with the sector is an important component of the process informing the integration and transformation of the local child care and early years system in Ottawa. Since the onset of the early years transformation, the City of Ottawa has actively engaged with the early years sector. This included information sessions, the creation of an early years planning advisory group, and engagement with over 2,000 service users (parents and caregivers) to develop a needs analysis.

In September 2017, Children's Services created an integrated Child Care and Early Years System Planning Advisory Group (Advisory Group) that includes child care service providers, preschool/nursery schools, early years providers, school boards, Francophone and Indigenous service providers and those who provide services to children with special needs. The Advisory Group provides advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa. Sub-groups have also been created to focus on specific key priorities/areas. The advisory group will be a key partner in informing the development of the Service System Plan (2019) and ensuring alignment with the renewed provincial framework.

The City also continues to work with the Indigenous and Francophone planning groups to ensure active engagement and consultation in the planning, management and delivery of culturally responsive programs and services. The Indigenous Early Years Circle has identified an increased need for appropriate data and capacity to assist with system planning and program delivery. The City will be increasing supports and funding to the Circle in order to work together to build better awareness and further develop the system. The City has also increased data analysis services to facilitate system planning and funding decisions.

These steps have set the foundation to develop a five-year Service System Plan in 2019. In 2018, staff will consult with families and users of child care and early years services to develop a needs analysis to identify service gaps and opportunities.

## **1. Child Care Updates**

### *2018 Budget*

Ottawa's allocation in 2017 increased by \$13.6M as a result of the Child Care Expansion Plan (CCEP) and Early Learning and Child Care Agreement (ELCC). The Province approved this agreement in the fall of 2017. To support the success of this commitment and to allow for sufficient local planning, the Ministry provided the City with the ability to carry forward unused 2017 funding to 2018. In addition, the City's allocation in 2018 includes an additional increase to base funding of \$10.3M.

The City's first priority is to support families with the cost of child care and significantly reduce / eliminate the waitlist for fee subsidy. All children currently eligible for fee subsidy have been approved and added to their preferred provider's placement list. It is anticipated that approximately 1,000 additional children will benefit from the \$13.6M added to the fee subsidy budget, effectively ensuring funding for all families on the waitlist as further described below in the fee subsidy update.

With the remaining base funding of \$10.3M, the City will work with Child Care Service Providers (CCSPs) to increase access, create new licensed spaces and increase affordability. There also remains \$10.1M of one-time funding resulting from the carry-over of 2017 funding. The City surveyed the child care sector on how to increase child care access and affordability in Ottawa. Through this collaborative process the City was able to establish and determine the following budget priorities.

In order to increase access and affordability for families, additional base funding will address current General Operating funding gaps, allow new eligible providers to receive General Operating funding and increase choice for subsidized families, and increase overall funding to service providers by allocating the remaining funding equitably. Staff will be working with CCSPs to determine how they can increase access before exploring affordability. For example, this could include increasing hours of operation or increasing the number of licensed home providers. The Advisory Group also supported the requirement for CCSPs to offer part-time / flexible care where possible (for example, two families sharing one full-time space). The City will continue to work with service providers and the Advisory Group to further define part-time / flexible care and make any necessary changes to better meet the needs of families.

Once a CCSP has attempted to increase access, the remaining funds will be used to increase affordability. Staff will work with CCSPs to document the fee reduction / avoidance. It is important to note that the CCSPs are experiencing significant financial pressures as a result of Bill 148 (Fair Workplaces, Better Jobs Act) and as a result of changing licensing and Child Care and Early Years Act, 2014 (CCEYA) requirements such as the reduction of time a provider can operate with reduced staffing ratios. These financial pressures will make it difficult for providers to reduce fees; however, it will ensure fees do not significantly increase.

With the one-time carry-over of funds from 2017, the Advisory Group supported using approximately \$5M to supplement the above strategy to increase access and affordability on a one-time basis knowing the Province has announced additional funding in their budget to help with additional access and affordability strategies in 2018/19. With this strategy, the General Operating budget will almost double to \$30M in 2018 providing additional funding to CCSPs to assist them with increasing access and affordability for families.

When the new service delivery / funding model was implemented in 2016, some CCSPs were negatively impacted with less provincial funding. To support the viability of these CCSPs the City committed the majority of the child care reserve to allow CCSPs a five

year period to transition to the new provincial funding model. With the additional General Operating funding available in 2018 it is anticipated all CCSPs will receive more funding than their historic amount and may not require the reserve funding as originally planned. As the 2018 amount does include a one-time opportunity to further support access and affordability, additional details are needed surrounding future provincial allocations to determine if the one-time funding can be sustained in future years. If additional Provincial funding is not received the reserve fund would be available as originally planned to assist CCSPs' viability and allowing time for CCPSs to either transition to the provincial funding or redirect resources towards achieving other outcomes identified in the Service System Plan (2019). Staff will bring forward any necessary recommendations to Council in 2019.

The remaining one-time funds of \$5M will be used to create new licensed spaces as well as to increase Special Purpose funding which helps support CCSPs with program viability, facilitates transformation, supports professional learning / development, supports compliance with licensing requirements, and provides materials that promote children's learning and development. The City is currently working with the Advisory Group to determine priorities before funding applications are accepted. See Document 1 for the Special Purpose Funding Policy Statement and details on eligibility criteria and application process.

#### *Fee Stabilization Funding*

The Ministry of Education announced a new provincial investment called Fee Stabilization to support improved wages for the licensed child care workforce, affordability of costs of care for families, and to address potential fee increases in 2018. This investment is in addition to the existing provincial Wage Enhancement Grant (WEG) funding. The intent of this funding is to help offset the cost of the minimum wage increase for any staff employed by child care service providers who were earning under \$14 an hour prior to January 1, 2018.

The 2018 Fee Stabilization allocation for Ottawa is \$4.4M. See Document 1 for the Fee Stabilization Funding Policy Statement and details on eligibility criteria and application process. The provincial allocation for Fee Stabilization also includes 10% or \$438K in Administration funding. This includes funding for administrative work required to meet provincial expectations and manage the additional responsibilities. Children's Services is requesting approval to create up to 4.0 full-time equivalent (FTE) positions with 100% provincial funding.

#### *Capital Facility Funding*

The City will allocate capital funding in 2018 to eligible child care providers to support the creation of new spaces in the licensed child care sector in high priority and/or underserved areas of the City. See Document 1 for the Capital Facility Funding Policy Statement and details on eligibility criteria and application process. The Capital Facility funding was originally exclusively City funding of \$4.5M collected through development charges, however an estimated \$1.7M will be added from the carry-over of the 2017 funding. This funding will help expand licensed spaces in Ottawa by approximately 250.

In addition, the Ministry of Education announced a new 2017-19 Community-Based Early Years and Child Care Capital Program (CBCP) to support purpose built new construction (child care programs only), renovations, retrofits and additions. For child care programs the focus must be on serving children 0-4 years and for early years programs it must be on serving children 0–6. The City gathered information from the sector and submitted a list of potential prioritized capital projects in high priority and/or underserved areas of the City. The City is currently awaiting a decision from the Province and any funding received will be included in the allocation process, which is expected to be completed by the end of 2018.

#### *Ministry of Education Early Years Capital Program (EYCP) / School-First Child Care Retrofit Funding*

The Early Years Capital Program and School-First Child Care Retrofit Funding program provide school boards with an opportunity to identify their most urgent and pressing pupil accommodation needs to the Ministry of Education. This includes child care and early years programming in support of the “School-First” approach and the government’s announcement to create access to licensed child care for 100,000 more children aged 0 to 4 years old over the next five years. The City reviews proposals from each school board to indicate support / priorities for the Province to approve and directly fund school boards. Since the School-First program began in 2012, the Ministry has allocated approximately \$9.1M to expand licensed spaces in Ottawa by 1,351 for children 0 – 4 that include 664 new francophone spaces. The majority of these programs were open prior to 2018 with a few remaining spaces opening in 2018. The Early Years Capital Program included an additional \$10.7M to expand licensed spaces in Ottawa by 464 for children 0 – 4 that include 166 francophone spaces. These spaces have varying start dates with many programs opening in 2018 and subsequent years.

#### *Fee Subsidy Update*

The fee subsidy office recently increased staffing resources and moved to a client-centric service delivery model (caseload approach) which has led to enhanced communications

and supports for families. It has also assisted with annual reviews to verify eligibility of current families and to quickly assess eligibility and place new families, both of which continue to be a priority. Annual reviews are expected to be current by the second quarter of 2018 while the City continues to develop a re-application process that makes it easier for families to submit all necessary documentation.

With respect to new families, since September 2017 the average number of children served has increased by almost 950 children. It is estimated the total average children served in 2018 will be approximately 8,000. All children eligible for fee subsidy have been approved and added to their preferred provider's placement list. There is currently a waitlist of 917 children with a preferred start date in the past or in less than 3 months. Fee subsidy staff continue to reach out to families to support them in finding a space and to further understand the reason why a placement has not yet been found. Reasons may include a parental choice to wait for a particular provider, affordability of the parental contribution as determined from the provincial income test, or difficulty finding a provider that offers part-time / flexible care that meets their needs. This information will be helpful to service providers in their consideration to increase access / affordability as well as helping prioritize capital investments to meet the needs of families. The fee subsidy office will continue to assist with placement coordination in an effort to significantly reduce / eliminate the waitlist.

## **2. Early Years (EarlyON Centres) Update**

The City entered into one-year transition agreements in 2018 with service providers that were previously providing Ministry-funded child and family programs in order to maintain the free-of-charge programs that provide play and inquiry based programs, workshops and access to information for parents and caregivers. This has also allowed additional time to work with community partners to structure and build the new system. The EarlyON Advisory Group continued to meet monthly to inform the development of the new system.

### *EarlyON Funding Framework*

The EarlyON funding framework has three components (Service Area, Service Complement, and Funding Formula) to ensure services are more responsive to the needs of individual communities and parents / caregivers such as providing for more locations / less travel time, extended and flexible hours including nights and weekends, and additional playgroups. The Advisory Group provided ongoing feedback and input during the development of each element of the framework. A survey of the members indicated that 90% supported the overall draft framework. Once Council has approved

the framework, the City will then proceed with an application process to select service provider(s) and allocate funding in accordance with the framework.

### 1) Service Areas

To ensure services are tailored to the demographic reality of local communities and meet the needs and expectations of local children and families, the City is recommending the establishment of seven (7) service areas that cover the full geography of the City. See Document 2 for a map of the EarlyON Service Areas. Each service area is comprised of smaller neighborhoods based on the former Best Start geography and have been adjusted to account for demographic shifts and to align with natural geographical boundaries and census tracts.

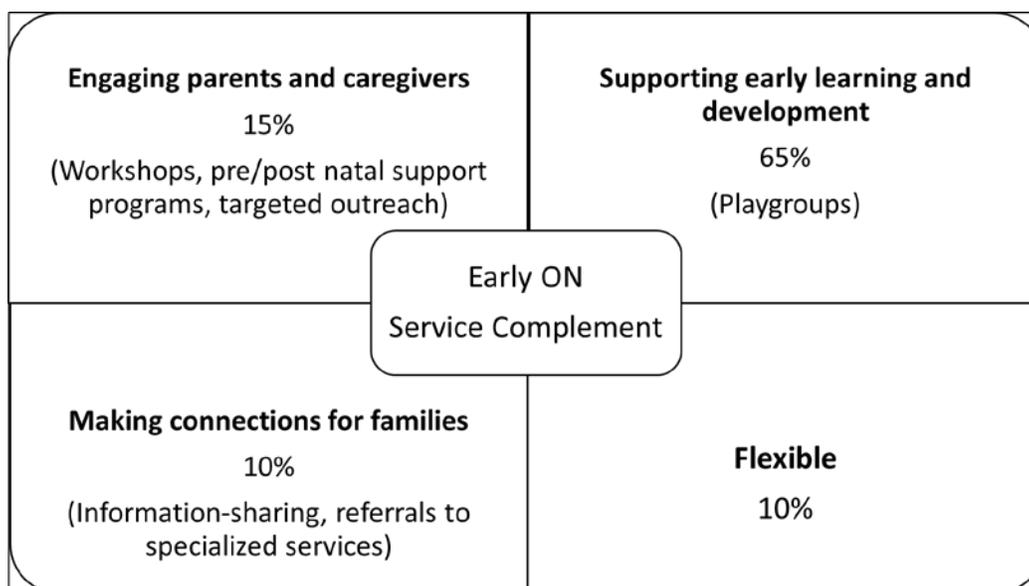
### 2) Service Complement

The City is required to manage the delivery of a suite of three core services related to:

1. Engaging parents and caregivers
2. Supporting early learning and development
3. Making connections to other family services

In order to meet local needs as informed by the needs analysis findings and based on feedback from the advisory group members the City is recommending a common vision for each of the seven service areas with associated funding as seen in Figure 1.

**Figure 1. EarlyON Service Complement**



Each service area will have a “flexible” category to allow the City to work with service provider(s) of each area to adapt services to meet the particular needs of the local community including customized community connection services such as hosting a series of information sessions that relate to newcomers. Service providers will collaborate with partners, including Ottawa Public Health, to determine the complementary health services needs of their population, such as breastfeeding support, and plan service delivery in EarlyON Centre locations across the city.

### 3) Funding Formula

The historic provincial funding allocations and changing demographics across the city have resulted in areas of Ottawa being underserved for many years. In addition, the past funding did not consider programming that reflects the local culture for Francophone and Indigenous families. As part of this transformation, the City is recommending a transparent and evidence-based formula that will allocate funding proportionally across the City with a focus on the vulnerable population as further outlined below.

Staff recommend the creation of three distinct funding streams including Main services, Francophone services and Indigenous services. Within these streams, providers will be required to provide services that are accessible and responsive to children, parents, and caregivers with varying abilities, cultural, language, and socio-economic backgrounds, according to local needs. Each stream will also include an ability for city-wide services such as information lines / virtual services etc. The funding for each stream will be proportionally allocated based on the population of children 0–6, which currently is approximately 81% for Main services, 16% for Francophone services and 3% for Indigenous services. Once the overall funding for each stream is determined, the funding for each service area will be determined based on a formula using a 40/60 allocation between the population size of children 0–6 and the neighborhood vulnerability as outlined below, with a factor built in to accommodate the higher cost of delivering services in rural areas of the city.

Neighborhood vulnerability is determined using the Canadian Neighborhood Early Childhood Development (CanNECD) index scores and Early Development Instrument (EDI) scores. The CanNECD is a new socio-economic status index made up of ten variables that cover material, cultural, and social aspects of life in neighbourhoods. The Early Development Instrument (EDI) is a population-based measurement tool that is an indicator of senior kindergarten student’s developmental health at school entry. Allocating a greater weight to the Neighborhood vulnerability section will ensure additional funding is provided to areas of the City with vulnerable families. Below is the

funding formula for each stream / service area developed in consultation with the advisory group.

(Proportion of children 0-6 X 0.4) + (CanNECD Index Score X 0.4 + EDI Score X 0.2)

### *Allocation Process*

The City, as CMSM, will follow a transparent application process to select service delivery providers that meet the needs of families and align to the provincial guidelines. The first step will be a Request for Qualifications process whereby interested service providers must demonstrate they meet the eligibility requirements. Once qualified, the City will host an information session to provide additional information and data to help providers submit an offer that will meet the needs of families, including services with a closer proximity to families and offering services on nights and weekends. See Document 1 for the EarlyON Service Delivery Funding Policy Statement and details on eligibility criteria, application process and selection process. Once completed the City will enter into contribution agreements with service providers in accordance with the Council approved framework and provincial guidelines.

Service providers will need sufficient time to prepare their service offerings and the City will need time to evaluate and potentially negotiate offers. It is estimated the application process will be completed at the end of 2018. To ensure minimal disruptions for children and family currently accessing services while the new integrated EarlyON system is being implemented, staff is recommending that Council delegate the authority to the Manager of Children's Services to approve an extension of the current transition period for up to an additional (6) months if necessary.

### *2018 EarlyON Budget*

The 2018 budget included approximately \$2M in unallocated funding due to an increase in provincial funding. In consultation with the Advisory Group, priorities were identified and a survey of the group showed that 82% of members supported the priorities listed below. As 2018 is a transition year to help minimize service disruptions while the new framework is being developed, the Advisory group discussed the challenges of increasing services knowing that services / service providers could change in 2019. As such, the 2018 budget priorities focus on items more one-time in nature to assist the sector with the implementation of the new system while allowing for some additional services in 2018. The additional funding and the new framework will allow services to increase in 2019 to better meet the needs of families including more locations / less travel time, extended and flexible hours and more playgroups.

The highest priority is to build a city-wide online registration / database system that will allow individual service providers to electronically create events and register service users. This will streamline and standardize registration across the city and enhance the reporting capability of service providers required by the Province. It will also inform system planning capacity and data to better respond to the emerging needs of families. The second phase of the registration system will look to create a platform for families to access information and pre-register for programs.

The second priority is to provide a cost of living increase to all existing service providers. To align to the cost of living increase that other community service providers received from the City in 2018, a 3% increase will be provided in order to maintain and allow service providers a better ability to meet the needs of the community in 2018. In addition, the Advisory Group brought forward some historical service delivery shortfalls and funding issues that the City will be addressing in 2018 as part of the transition plan also ensuring providers can better meet the needs of the community.

A third priority is the implementation of one-time innovative pilot projects related to the delivery of services. The City will use the findings from the needs analysis and continue discussions with the Advisory Group to identify priorities. This will increase services to families beginning in 2018 and will assist with innovative ways to deliver services that can be used in the implementation of the new system. Additional funding will also be provided for transformation activities to help strengthen the sector through business transformation supports such as integrating, relocating, business planning, or recruitment of new staff. Once completed, applications will be accepted as part of the Special Purpose funding process.

A fourth priority is additional support for professional learning and development opportunities that build the capacity of staff to provide high-quality and inclusive child and family programs which benefit the families and children who access these services. The City will also use the needs analysis and continue discussions with the Advisory Group to identify priorities. Applications will be accepted as part of the Special Purpose funding process.

### **3. Journey Together**

The Journey Together represents the provincial commitment to increase the number of culturally relevant licensed child care spaces and expand access to early years programs for Indigenous children and families living off-reserve in Ontario. A total of six proposals were submitted to the Province. The Province subsequently approved five proposals from the following service providers:

- Makonsag Aboriginal Head Start – Licensed child care program
- Odawa Native Friendship Centre – Child and Family program
- Ottawa Inuit Children’s Centre – Child and Family program
- Tungasuvvingat Inuit (TI) – Child and Family program
- Wabano Centre for Aboriginal Health – Child and Family program

The total provincial Journey Together allocation for the above proposals totals \$9.6M for 2018/2019 and includes both capital and operating funding. This funding will support the creation of 49 new licensed child care spaces and four child and family programs that will serve approximately 2,270 people.

The funding also includes an additional administrative amount of \$378K for the City to manage and monitor contribution agreements and to provide support to service providers. With this additional funding, Children’s Services is requesting approval to create up to 4.0 full-time equivalent (FTE) positions with 100% provincial funding.

## **RURAL IMPLICATIONS**

The recent new provincial financial investments will support additional fee subsidies and improve child care access and affordability in both urban and rural areas of the city. Through the EarlyON transformation, service providers will be required to offer child and family programs and services that meet the unique needs of rural residents, as highlighted in the Needs Analysis findings.

## **CONSULTATION**

The implementation and findings of the engagement strategy related to the planning of the new EarlyON Child and Family Centres, was documented in a recent Council report (ACS2017-CSS-GEN-0007). It included an environmental scan and consultation with users and providers of child and family programs.

Consultation with the sector is an important component of the process informing the integration and transformation of the local child care and early years system in Ottawa. Since the onset of the early years transformation, the City of Ottawa has actively engaged with the early years sector. This included information sessions, the creation of an early year planning advisory group, and engaging with over 2,000 service users (parents and caregivers) to develop a needs analysis.

In September 2017, Children's Services created a Child Care and Early Years System Planning Advisory Group (Advisory Group). The advisory group includes representation from child care service providers, preschool/nursery schools, early years providers, and school boards. There is also representation from Francophone and Indigenous services providers and those who provide services to children with special needs. The mandate of the Advisory Group is to provide advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa. Sub-groups have also been created to focus on specific key priorities/areas. The Advisory Group will be a key partner in informing the development of the Service System Plan (2019) and ensuring alignment with the renewed provincial framework. The City also continues to work with the Indigenous and Francophone planning groups to ensure active engagement and consultation in the planning, management and delivery of culturally responsive programs and services.

In 2018, the City will consult with families and users of child care and early years services to develop a needs analysis to identify service gaps and opportunities for the Service System Plan (2019).

#### **COMMENTS BY THE WARD COUNCILLOR(S)**

Not applicable as this is a city-wide report.

#### **ADVISORY COMMITTEE(S) COMMENTS**

No Advisory Committees were consulted in the development of this report.

#### **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

#### **RISK MANAGEMENT IMPLICATIONS**

The recent and ongoing provincial changes, new priorities and short time frames have significantly affected the workload of both staff and service providers. These changes could impact on the City's and our partners' ability to seamlessly implement and minimize service impacts on families. The creation of up to 8.0 full-time equivalent (FTE) positions, as recommended in this report, will serve to alleviate this risk as well as provide additional supports to service providers. Extending the transition period for EarlyON service providers where required will also assist with the transition of the new system.

#### **ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications associated with this report

### **FINANCIAL IMPLICATIONS**

With the approval of the report recommendations, the 2018 approved Operating budget will be adjusted to reflect the staffing and program changes as outlined in the report. All staffing and program changes are fully funded by the Province and there is no City financial implication.

### **ACCESSIBILITY IMPACTS**

Through the EarlyON transformation, service providers will be required to offer child and family programs and services that meet the unique needs of children with special needs and their families, as highlighted in the Needs Analysis findings.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

### **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with this report

### **TERM OF COUNCIL PRIORITIES**

This report aligns with the 2015-2018 City of Ottawa Strategic Plan Priority: Healthy and Caring Community (HC).

### **SUPPORTING DOCUMENTATION**

Document 1. Funding Policy Statements

Document 2. Map of EarlyON Service Areas

### **DISPOSITION**

Following Council approval, Children's Services, Community and Social Services, will implement an application process for the delivery of EarlyON Child and Family Centres programs and allocate funding, as detailed in this report and as per the Funding Policy Statements outlined in Document 1.

Children's Services will also proceed with the creation of up to 8.0 full-time equivalent (FTE) positions for the administration related to the work required to meet provincial expectations and manage the additional responsibilities/contribution agreements.