



**Councillor  
Mark Grimes**

Toronto City Council  
Ward 6  
Etobicoke-Lakeshore

March 2, 2010

Honourable Laurel Broten,  
Minister of Children and Youth Services  
56 Wellesley Street West, 14<sup>th</sup> Floor  
Toronto, Ontario M5S 2S3

To Hon. Laurel Broten,

I am writing to you about the grave situation facing Toronto's child care system outlined in a report passed in January, 2010 at the Community Development and Recreation Committee of Council, and at City Council January 26-27, 2010. The report, *Implementation of Early Learning Program and Toronto's Child Care Funding Risks and Pressures*, is on the City's web site <http://www.toronto.ca/legdocs/mmis/2010/cd/bgrd/backgroundfile-26135.pdf>

The report deals with the Early Learning Program implementation which is beginning to be phased this September 2010, at the same time as there are serious financial pressures facing Toronto's child care system. If not dealt with, this will necessitate a reduction of 2,000 subsidized child care spaces by January 2011 and a further reduction of 3,000 spaces by January 2012 for a total of 5,000 subsidized child care spaces. This represents 21% of the current service level of 24,000 subsidized spaces. The system cannot afford to lose these spaces especially with the implementation of full day learning which will no doubt increase demand for subsidized spaces.

The Early Learning Program is a signature program of your government. When the Premier announced the program last fall, he positioned it this way:

"This is part of the government's ongoing plan to strengthen education that began with smaller class sizes, higher test scores, an improved graduation rate and Reaching Higher. Building the skills and education of Ontario's workforce is a key part of the government's plan to create a stronger economy".

Early learning is also part of Ontario's plan to reduce child poverty.

The recommendations in the staff report for Council address two significant issues that are required for the successful implementation of early learning – planning and funding.

It is the funding pressures on the child care system that I want to concentrate on, and for this reason I have summarized them on the attached page. They arise at this time for two reasons – the reduction of Best Start funding – another signature program of your government, and the impending depletion of the Child Care Expansion Reserve Fund which has been supporting the actual cost of services delivered by community based providers. Recommendation #8 in the report addresses this as follows:

8. City Council request the Province of Ontario to ensure that the provincial funding formula provides sufficient funding to maintain existing service levels of 24,000 child care

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subsidies, recognizes cost of living and other legitimate increases in operating costs, and ensures program quality and adequate qualified staffing.

Full day learning will also impact on child care funding, service delivery and governance. Recommendation 5 requests transitional funding for capital and operating expenses in the 2010 Budget and inclusion of planning and associated resources.

Recommendation #9 directs staff to develop contingency plans for gradual child care service level reduction of 2,000 subsidies by 2010 and 3,000 by 2012 in the event that the Province does confirm by the end of February 2010 transitional funding for early learning and a strategy to address the end of Best Start funding by the time of the Provincial Budget in 2010.

This is the bottom line, and I urge you to bring this matter to your colleagues and to your Caucus as soon as possible.

Sincerely,

Mark Grimes  
Councillor, Ward 6 Etobicoke-Lakeshore

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## **Funding Pressures on Toronto's Child Care System**

### **Current waiting list is approximately 16,000**

- Toronto receives provincial funding to support 24,000 child care fee subsidies
- Only 28% of low income families have access to child care

### **Best Start funding shortfall**

- \$9.2M in 2010 growing to \$15.4M in 2011
- Results in a loss of 1,500 child care spaces
- City does not have the resources to address the Best Start shortfall

### **Base funding pressures**

- Actual costs (inflation), historically funded by Child Care Expansion Reserve, is estimated at \$8 M; this is a cumulative pressure
- 2009 draw from Reserve Fund = \$12.6M
- 2010 Draw from Reserve Fund = \$21.7M

### **Child Care Expansion Reserve**

- Exhausted in mid-2011

### **Total Loss of Spaces**

- 2,000 reduction strategy starting in summer of 2010 and a further
- 3,000 spaces by January 2012
- = **5,000 spaces or 21% of service level.**