

**Report to  
Rapport au:**

**Community and Protective Services Committee  
Comité des services communautaires et de protection  
17 June 2021 / 17 juin 2021**

**and Council  
et au Conseil  
23 June 2021 / 23 juin 2021**

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**Submitted by  
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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2021-CSS-GEN-0008**

**SUBJECT: Municipal Child Care Centre Review**

**OBJET: Examen des centres de services de garde municipaux**

## **REPORT RECOMMENDATIONS**

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

- 1. Receive the Municipal Child Care Centre Review report (Document 1) as outlined in this report.**
- 2. Transition the municipally run Centre éducatif Pinocchio child care services to a high needs area as defined by the Child Care and Early Years Service System Plan 2019-2023, using evidence based-data, and in consideration of the availability of land and budget as outlined in this report.**
- 3. Direct staff to develop a business case and capital funding plan to facilitate the transition of Centre éducatif Pinocchio to a high needs area and to address the operational challenges at Foster Farm Child Care Centre as outlined in this report and report back for Council approval in Q1 of 2023.**
- 4. Direct staff to prioritize and work with the Centre éducatif Pinocchio landlord and a not-for-profit child care provider to maintain and seamlessly transition these critical francophone child care services at the Centre éducatif Pinocchio location.**

## **RECOMMANDATIONS DU RAPPORT**

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

- 1. Recevoir le rapport du Centre de services de garde municipal (Document 1) comme renseignements.**
- 2. Faire la transition des services de garde d'enfants municipaux du Centre éducatif Pinocchio et réinvestir le financement dans un secteur à besoins élevés en fonction du Plan du système de services de garde d'enfants et de la petite enfance 2019-2023, des données, la disponibilité des terrains et du budget décrits dans le présent rapport.**
- 3. Demander au personnel d'élaborer une analyse de rentabilisation et un plan de financement des immobilisations afin de faciliter la transition du Centre éducatif Pinocchio vers un secteur où les besoins sont élevés et de relever les défis opérationnels au centre Foster Farm, tels qu'ils sont**

**décrits dans le présent rapport et de présenter un rapport pour l'approbation du Conseil au T1 2023.**

- 4. Demander au personnel d'établir des priorités et de travailler avec le propriétaire de Pinocchio et un fournisseur de services de garde à but non-lucratif afin de maintenir et de faire la transition harmonieuse de ces services de garde francophones essentiels à l'emplacement de Pinocchio.**

## **EXECUTIVE SUMMARY**

The purpose of this report is to provide a review of the Municipal Child Care Centres as a result of the child care and early years sector undergoing a significant period of transformation, modernization and growth. The report also provides a recommendation to ensure Municipal Child Care Centres continue to align to Council's mandate and remain a leading model in offering access to high quality, affordable, and responsive services.

### **Assumption and Analysis**

The Municipal Child Care Centres offer access to high quality, affordable and responsive programming across the city, prioritizing families who require a fee subsidy. Providing access to these families reduces poverty and gender inequalities and fosters a sense of belonging for families facing various barriers, such as new immigrants, sole support parents (80% women), families who are low income and children with special needs.<sup>1</sup>

High quality programs provide a positive influence on children's social development, school transition and academic achievement.<sup>2</sup> This outcome is achieved through the qualified and experienced educators who provide warm and positive interactions, safe and educational activities, and communication with parents. The sector has outlined wages and benefits as the most important gap to be addressed in the system given its connection to quality. The significant municipal investments enable attractive compensation for qualified staff and establishes the Municipal Child Care Centres as a leading model of service delivery. The municipal investment also assists with increased affordability for families and labour force participation aligning to Council's Women and Gender Equity Strategy as the staffing complement is predominately women.

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<sup>1</sup> City of Ottawa. Child Care and Early Years Service System Plan 2019-2023

<sup>2</sup> Ministry of Education (2017). Ontario's Renewed Early Years and Child Care Policy Framework.

Council's mandate for Municipal Child Care Centres is to serve families who face various barriers and systemic challenges in areas of the city where there are insufficient child care spaces to meet demand and no other child care service providers are able to shift their service offerings. As a result of significant provincial investments, positive changes to the child care and early years sector and changing community demographics a review analysis was required to ensure services continue to align to Council's mandate. This comprehensive analysis used many indicators summarized into two categories:

- Serving families who face various barriers and systemic challenges
- Community child care capacity in priority neighbourhoods

The review found that only one centre, Centre éducatif Pinocchio ("Pinocchio"), which is located in New Edinburgh/Rockcliffe Park, did not meet Council's mandate. This finding is mostly attributable to not serving families who face various barriers and systemic challenges and the availability of other community providers in the service area. Outside of the mandate analysis, one significant operational concern needs to be considered at Foster Farm Child Care Centre ("Foster Farm"). While this centre does serve a high number of families in receipt of fee subsidies it has significant operational challenges with the physical space in a leased aging apartment building.

To ensure Municipal Child Care Centres continue to align to Council's mandate and remain a leading model of service delivery, staff recommend Council approve the transition of the Centre éducatif Pinocchio child care services and reinvest the funding to a high needs area based on be based on the Child Care and Early Years Service System Plan 2019-2023, evidence based-data (i.e Number of Child Care Spaces to Reach Access Target, Neighborhood Vulnerability, Transit oriented locations, New Affordable Housing), availability of land / space, budget and other data as applicable. This would align with the Thriving Communities priority area in the City of Ottawa Strategic Plan 2019-2022 to invest in child care services to improve accessibility, affordability, quality and responsiveness of child care services across all city wards and align with the priorities outlined within the Child Care and Early Years Service System Plan 2019-2023 which responds to the needs of families in Ottawa.

Transferring a licensed centre that minimizes impacts takes significant time to plan with items such as finding and selecting a new location in a high needs area, building / renovating, consulting with stakeholders, meeting licensing conditions, and considering the costs and capital funding. There will also be opportunities with significant growth and major projects in the City such as new affordable housing.

Staff recommend that Council direct staff to develop a business case and capital funding plan to facilitate the transition of Centre éducatif Pinocchio to a high needs area and to address the operational challenges at Foster Farm Child Care Centre as outlined in this report and report back for Council approval in Q1 of 2023.

To minimize the impacts on families, children and staff, the services at Pinocchio and Foster Farm would continue until the business case and capital funding plan can be approved by Council and the services can be seamlessly transitioned. Having access to French-language child care and early years services is critical for Francophone families in Ottawa. It develops a sense of belonging, fosters community vitality, preserves the language, and encourages attendance in French-language schools. Given the significant time and resources it takes to transition a centre and minimize impacts, staff recommend Council direct staff to prioritize and work with the Pinocchio landlord and a not-for-profit child care provider to maintain and seamlessly transition these critical francophone child care services at the Pinocchio location.

It is also important to maintain and seamlessly transition these services as a result of the COVID-19 pandemic which has had an unprecedented impact with significant disruption to the child care and early years sector. The services provided are essential to children and families while also helping with economic recovery. The essential nature of early years programs has never been more recognized.

## **BACKGROUND**

The City of Ottawa has a long history of directly operating child care programs and providing access to high quality, affordable and responsive services to families in Ottawa. The City began delivering child care programs in the 1970's, with an original Council mandate to provide programs to families who face various barriers and systemic challenges in under-served neighbourhoods.

The Province of Ontario enacted the new Child Care & Early Years Act in 2014 as part of the journey to modernize child care. The City's role changed to Consolidated Municipal Service Manager (CMSM), thereby representing the interests of the Province to oversee child care in Ottawa from a system planning perspective.

During the last few years, the Province of Ontario has made significant investments and positive changes to the child care and early years sector. This has included a new funding formula, Ontario's Pedagogy for early years, and adapting fee subsidies to follow the child for greater parental choice. In addition, the Province established four provincial priorities relating to access, affordability, quality and responsiveness.

In April 2016, Council reaffirmed the original mandate to direct Municipal Child Care programs to serve families who face various barriers and systemic challenges in areas of the city where there are insufficient child care spaces to meet demand and no other child care operators are able to shift their service offerings (ACS2016-COS-CSS-0007).

On November 20, 2017 the Auditor General presented the Audit of Child Care Services to Audit Committee as part of their Annual Report (ACS 2017-OAG-BVG-0008). Two recommendations outlined within the Audit of Child Care Services were related to the completion of a Municipal Child Care Review. Recommendation 22 requested that the City complete the Municipal Child Care Program Review what was initiated in 2016. Recommendation 23 requested that the City document the costing methodology and standards to be used in the compilation of the cost/benefit analysis of the Municipal Child Care Program. This audit was presented to and approved by Council on December 13, 2017. The Municipal Child Care Centre Review report attached to this report as Document 1 addresses the 2017 Audit of Child Care Services recommendations related to the completion of a Municipal Child Care Review.

In September 2019, Council approved the Child Care and Early Years Service System Plan 2019-2023 (ACS2019-CSS-GEN-0011). This progressive plan will ensure the sector responds to the needs of families in Ottawa and aims to increase access, affordability, quality and responsiveness to continue to give children the best possible start to life and ensure a strong foundation for the future as initiatives continue to evolve.

Finally, the City of Ottawa Strategic Plan 2019-2022 includes an action under the Thriving Communities priority to invest in child care services to improve accessibility, affordability, quality and responsiveness of child care services across all city wards.

## **DISCUSSION**

The purpose of this report is to provide a review of the Municipal Child Care Centres as a result of the child care and early years sector undergoing a significant period of transformation, modernization and growth. The report also provides a recommendation to ensure Municipal Child Care Centres continue to align to Council's mandate and remain a leading model in offering access to high quality, affordable, and responsive services.

## **Municipal Child Care Centres**

A complete overview of how Municipal Child Care Centres deliver services in relation to the strategic priorities outlined in the Child Care and Early Years Service System Plan 2019-2023 is included in Document 1. The key priorities include access, affordability, quality and responsiveness.

The City of Ottawa directly operates ten Municipal Child Care Centres (MCC Centres) offering 387 toddler and preschool spaces that are located across the city. This represents approximately 3 per cent of all licensed centre-based spaces for toddlers and preschoolers in Ottawa. Two francophone centres (Pinocchio and Tournesol) offer 65 spaces to meet the unique needs of francophone children.

Municipal Child Care Centres offer a diverse and inclusive environment and programming that benefit children. All children are given equitable access to care and programs regardless of their religious or cultural background, spoken language, or stage of development, with a focus on including children with special needs.

All MCC Centres prioritize families who face various barriers and systemic challenges. Providing services to these families reduces poverty and gender inequalities and fosters a sense of belonging for families facing various barriers, such as new immigrants, sole support parents (of which 80% are women), families who are low income and children with special needs.<sup>3</sup> This is important to note as access to subsidized spaces is different than total access of the sector and reliant on both funding available and providers accepting fee subsidy families. Not all licensed child care providers serve families who require a fee subsidy and there is a difference between community providers enrollment rates of families in receipt of fee subsidy compared to MCC Centres. This is vitally important as well for the COVID-19 response and recovery and the disproportionate impacts of COVID-19 on families who face various barriers and systemic challenges which has increased demand for the services Municipal centres offer.

From an affordability standpoint, the municipal investment of \$4.2M has increased affordability for families at the MCC centres, ensures the costs to the fee subsidy program remains lower allowing more children to be served throughout the city, and increases our provincial allocation. The daily rates are on par or below the median daily rates for Ottawa. The difference between the daily costs and the daily rates reflects a

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<sup>3</sup> City of Ottawa. Child Care and Early Years Service System Plan, p.15

funding gap that exists in delivering a leading model program and offering access to high quality, affordable and responsive services.

The sector has outlined wages and benefits as the most important gap to be addressed in the system given its connection to quality. The significant municipal investments enable attractive compensation for qualified staff and assists with labour force participation / women's and gender equity strategy as the staffing complement is predominately women. This investment results in high-quality programs that provide an educational focus and have positive influences on children's social development, school transition, and academic achievement. MCC Centres have an experienced and stable workforce fostering strong relationships and familiarity with individual children and family members. Positive relationships were ranked the most important element of quality for parents and service providers as outlined in the Child Care and Early Years Service System Plan. Good working conditions also contribute to quality, with most MCC Centres located in City-owned buildings that receive lifecycle and other building improvements. The City of Ottawa currently leases two locations, Pinocchio and Foster Farm. Leasing presents challenges like lease costs, landlord requirements, reliance on a third party, the risk of the lease ending, and difficulties adapting the physical space to maximizing quality programming in comparison to a purpose-built location.

MCC focuses on including children with special needs and providing appropriate supports through a collaboration with Children's Inclusion Support Services and specialized programming for families who face various barriers and systemic challenges including addiction, mental illness, speech or developmental delays or other identified social needs. In addition, two MCC Centres offer programming to meet the unique needs of francophone children.

### **Mandate Review Analysis**

Council's mandate for Municipal Child Care Centres is to serve families who face various barriers and systemic challenges in areas of the city where there are insufficient child care spaces to meet demand and no other child care service providers are able to shift their service offerings.

During the last few years, the Province of Ontario has made significant investments and positive changes to the child care and early years sector. In addition, community demographics, such as low-income households, average age of residents, and the number of families who qualify for subsidy continue to change as our city grows and develops. To ensure services continue to align to Council's mandate a review analysis is required.

A complete overview on the mandate overview review can be found in Document 1. A comprehensive review, using several indicators was used to determine if individual centres are currently meeting this mandate. The two categories were serving families who face various barriers and systemic challenges and community child care capacity in priority neighbourhoods.

A minimum score of 70% was required to meet Council's mandate and all centres but one scored above this minimum (see Table 1).

Pinocchio was the only centre that obtained a score less than 70%. Pinocchio, which is located in New Edinburgh/Rockcliffe Park, had an overall score of 34%. This was mostly attributable to not serving serve families who face various barriers and systemic challenges, not being located in a priority neighbourhood and availability of other community providers in the service area that serve families who face various barriers and systemic challenges. Pinocchio is also a leased space which has presented operational challenges such as negotiating lease costs and landlord requirements.

Outside of the mandate analysis, one significant operational concern that needs to be considered is at Foster Farm. Located in Pinecrest / Queensway, had an overall score of 84%, meeting Council's mandate. This centre is in a leased space in a neighbourhood where services would have a great impact. However, the centre is in an aging apartment building that was originally converted from apartment units. This has resulted in significant service delivery challenges such as the distance between the playground and the program rooms, space limitations, and increased maintenance. In addition, the centre is grandfathered under the provincial license, meaning any retrofits would require updating the program rooms to current regulations requiring more space and significant investments. Should this aging building undergo renovations in the future, it is likely this would inadvertently cause long service disruptions to the child care program located there.

*Table 1. Review Analysis Summary*

**Category 1:** Serving families who face various barriers and systemic challenges

**Category 2:** Community comprising of families with various barriers and systemic challenges / Child care capacity

Municipal Child Care Centre	Category 1 (60% of total score)	Category 2 (40% of total score)	Total Score (out of 100%)
<b>Anglophone centres</b>			
Borden Farm	48	33	81
Charmian Craven	56	25	81
Dr. Ernest Couture	58	31	89
Elsie Stapleford	44	28	72
Esther By	60	32	92
Foster Farm	54	30	84
Huron Early Learning	60	35	95
St. Luke's	48	25	73
<b>Francophone centres</b>			
Pinocchio	22	12	34
Tournesol	48	30	78

### **Recommended action**

To ensure Municipal Child Care Centres comply with Council's mandate to serve families facing various barriers and systemic challenges and remain a leading model in offering access to high quality, affordable, and responsive services that provide a positive influence on children's social development, school transition and academic achievement, there is a need to transition the services at Pinocchio and address the concerns at Foster Farm. Transferring and / or adapting a licensed centre that minimizes impacts takes significant time to plan with items such as finding and selecting a new location in a high needs area, building / renovating, consulting with stakeholders,

meeting licensing conditions, and considering the costs and capital funding. There will also be opportunities with significant growth and major projects in the City such as new affordable housing.

Staff recommend that Council direct staff to develop a business case and capital funding plan for Council approval to align the Pinocchio services with Council's mandate to ensure funds are reinvested and services are seamlessly transitioned to a high needs area, include recommendations related to Foster Farm, and be based on the Child Care and Early Years Service System Plan 2019-2023, evidence based-data (i.e Number of Child Care Spaces to Reach Access Target, Neighborhood Vulnerability, Transit oriented locations, New Affordable Housing), availability of land / space, budget and other data as applicable.

This would align with the Thriving Communities priority area of the City of Ottawa Strategic Plan 2019-2022 to invest in child care services to improve accessibility, affordability, quality and responsiveness of child care services across all city wards and align with the priorities outlined within the Child Care and Early Years Service System Plan 2019-2023 which responds to the needs of families in Ottawa.

Pinocchio is not serving families who face various barriers and systemic challenges and is not located in a vulnerable neighbourhood. This is mostly attributable to a low demand from subsidized families and availability of other community providers in the service area. The loss of these services for the Francophone community and other families who access these services need to be considered and mitigated where possible. Having access to French-language child care and early years services is critical for Francophone families in Ottawa. It develops a sense of belonging, fosters community vitality, preserves the language, and encourages attendance in French-language schools. Given the significant time and resources it takes to transition a centre and minimize impacts, staff recommend Council direct staff to prioritize and work with the Pinocchio landlord and a not-for-profit child care provider to maintain and seamlessly transition these critical francophone child care services at the Pinocchio location.

### **Implementation**

To minimize the impacts on families, children and staff, the services at Pinocchio and Foster Farm would continue until the business case and capital funding plan can be approved by Council and the services can be seamlessly transitioned. This approach is also important to maintain the existing spaces as a result of the COVID-19 pandemic which has had an unprecedented impact with significant disruption to the child care and

early years sector. The services provided are essential to children and families while also helping with economic recovery. The essential nature of early years programs has never been more recognized.

Once the report recommendations are approved by Council, staff will begin to assess opportunities and plan for items such as a new location in a high needs area, building / renovating, consulting with stakeholders, meeting licensing conditions, considering the costs and capital funding and how to seamlessly transition services for Council consideration. The report is estimated to be completed by the end of 2022.

### **RURAL IMPLICATIONS**

There are no rural implications to the implementation of the report recommendations as there are no MCC Centres in rural areas.

### **CONSULTATION**

In September 2017, Children's Services created an integrated Child Care and Early Years System Planning Advisory Group (Advisory Group) that provides advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa. The Advisory Group actively participated in the development of the Service System Plan, by providing feedback and input throughout the process. In the fall 2018, Children's Services engaged and consulted with over 2,000 parents, child care service providers, other community stakeholders and City of Ottawa staff. The consultation findings and the Service System Plan were used to inform and guide the decisions for this report.

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

No comments 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 receiving the Municipal Child Care Centre Review report that is Document 1 to this report. There are no legal impediments to the implementation of the report recommendations.

**RISK MANAGEMENT IMPLICATIONS**

There are risk implications associated with this report, related to service disruptions caused by a re-location of Pinocchio and Foster Farm Municipal Child Care Centres. To minimize the impacts on families and children, staff and services at Pinocchio and Foster Farm would continue until a time when they can be transitioned to the new site. Staff will also work with our community partners to see how services at these locations may be able to continue to further mitigate impacts on families.

**ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications.

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with the report recommendations.

**ACCESSIBILITY IMPACTS**

The City is committed to meeting its obligations under the Accessibility for Ontarians with Disabilities Act, 2005. In the area of Children's services, this includes but is not limited to, training, customer service and accessible facilities. Facilities are reviewed and renovated as funds permit to meet current accessibility standards.

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with the implementation of the recommendations outlined in this report

**TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with the implementation of the recommendations outlined in this report.

**TERM OF COUNCIL PRIORITIES**

This report aligns with the Thriving Communities priority of the City of Ottawa Strategic Plan 2019-2022.

**SUPPORTING DOCUMENTATION**

Document 1 Municipal Child Care Centre Review

**DISPOSITION**

Children's Services staff will complete the tasks required in order to implement Council's direction, as detailed in the Next Steps section of the report.