



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

IMPACT OF PERMIT RATE FEE CHANGES ON CHILD CARE OPERATORS

*“They urgently pleaded with us for the privilege of sharing in this service to the Lord’s people.”
Corinthians 8:4*

Created, Draft	First Tabling	Review
October 10, 2017	October 12, 2017	

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RECOMMENDATION REPORT

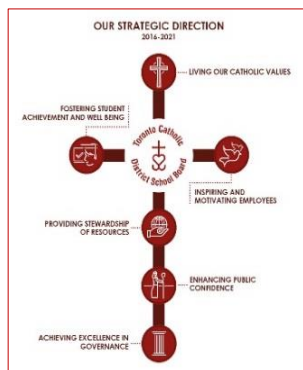
Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.



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A. EXECUTIVE SUMMARY

This report provides information to the Board regarding the impact of permit fee changes to child care operators in TCDSB facilities. The current per-hour fee structure was implemented on May 1, 2016 in order to recover the costs associated with permitting Board facilities.

In response to the new permit fee structure and its impacts on after hours, and holiday permitting, Toronto Coalition for Better Child Care (TCBCC) made a delegation to the Board on March 30, 2017. At that time, TCBCC presented their analysis of the impact of the current permit rate fee changes on child care operators.

In recognition of the positive impact child care has on the community, staff recommend waiving the administrative and hourly facility fees, staff further recommend that child care operators only be charged actual supervision and cleaner fees (including overtime incurred) incurred by the Board.

The cumulative staff time dedicated to developing this report was 21 hours.

B. BACKGROUND

1. On October 15, 2015, the Corporate Affairs, Strategic Planning, and Property Committee approved a new per-hour fee structure and rate schedule in order to fully recover the costs associated with permitting Board facilities. The new rates apply to all permits occurring after May 1, 2016.
2. These changes were required due to the combination of the increased number of permit bookings and the fixed Ministry funding amount resulting in grants depleting sooner, reducing the amount of funding available to address increasing operational and maintenance costs.
3. Furthermore, as part of the 2016-2017 budget process, a \$500,000 increase in revenue for the permitting of Board facilities has been targeted to assist with the Board's Multi Year Deficit Recovery Plan.
4. Child care organizations operate in TCDSB facilities, operate under a Lease and/or Licence Agreements. These agreements allow for the use of the leased or licenced premises Monday through Friday; typically from 7:00 a.m. to 6 p.m. The City of Toronto currently subsidizes the operating and maintenance costs for facilities that are leased to child care centers.

5. If a child care program intends to operate during Family Day, March Break, Easter Holiday, Christmas Holiday, Victoria Day, Canada Day, Civic Holiday, Labour Day, and the Summer Months. The Board incurs additional costs to provide access to child care operators. As a result, they must obtain a permit and pay all applicable fees under the Permit Policy, including additional costs incurred by the Board for caretaking overtime/supervision charges.
6. During holidays, Toronto District School Board (TDSB) facilities may be open only from 8 a.m.-3 p.m. and from 8 a.m.-5 p.m. on March Break. If a child care operates outside those hours, the charges outlined in the comparison table below are applicable:

	TDSB	TCDSB	Difference
Charges for Not-For-Profit Child Care			
Holidays	\$59.60/hr	\$41.77/hr	-\$17.83/hr
Monday to Friday	\$43.88/hr	\$20.36/hr	-\$23.52/hr
Classroom Fees			
Holidays	\$10.22/hr	\$2.50/hr	-\$7.72/hr
March Break	\$2.67/hr	\$2.50/hr	-\$0.17/hr

As seen above, TCDSB's permit rate fees are lower than TDSB's rates. Furthermore, the total subsidy for full-day child care operators incurred by TCDSB's Community Use of Schools department in the last fiscal year was an estimated \$175,000.00.

7. On October 3, 2016, January 20, 2017, and September 11, 2017, letters were sent to child care operators to inform them of permit requirements during the aforementioned Holidays and Summer Months (*Appendix 'A'*).
8. At the March 30, 2017 Board meeting, a delegation representing Toronto Coalition for Better Child Care (TCBCC), made a presentation regarding the impact the current rate fee schedule will have on their budgets. The accompanying submission (*Appendix 'B'*) listed the cost difference between the previous and the current fee structure.
9. The TCBCC requested that provisions be relaxed on the Board's Permit Fees as they are applied to Child Care programs in TCDSB's facilities. On April 20, 2017, a meeting occurred between representatives of TCBCC and TCDSB staff to discuss options.

C. EVIDENCE/RESEARCH/ANALYSIS

1. Given the positive effect child care organizations have on school communities, and after reviewing potential options, staff have considered a course of action for child care operators in the Board's facilities.
2. On June 14, 2016, City of Toronto staff wrote a report titled "*Revising the School Utilization and School Funding Formulas to Support a Continuum of Learning and the Stabilization of Early Years and Child Care Programming in Schools*". The report recommends that the Ministry of Education undertake the following five actions:
 - Improve the funding formula in order to fully fund the occupancy cost of early learning and child care space in schools directly to the school boards.
 - Ensure the funding formula takes into account the higher cost of building, operating and maintaining spaces for young children.
 - Ensure the funding formula for early learning space is not a per-person rate, but a per-room rate.
 - Ensure the funding formula accounts for the incrementally higher cost of operating before-and-after-school programs in shared spaces.
 - Ensure that the school utilization formula reflects the improved funding formula and fully accounts for early learning space in schools.
3. The issue of child care operators and maintenance costs is currently being considered by the Ministry of Education and it is believed that an announcement will be forthcoming.
4. Staff recommend waiving the administrative and per hour facility permit fees associated with child care after hours and holiday permits. Minimum supervision and cleaning fee (including overtime costs incurred) will be required for child care operators at TCDSB facilities as outlined in the following table:

**Supervision and Cleaner Fees
(Subsidized by Ministry of Education
Community Use of Schools Funding)**

	SUPERVISION (subsidized)	CLEANER (subsidized)	SUPERVISION (unsubsidized)	CLEANER (unsubsidized)
Monday-Saturday 7:30 a.m.-11:30 p.m. Or such other times when the facilities are normally staffed	\$20.36/hr.	\$34.10/hr.	\$31.33/hr.	\$34.10/hr.
Sunday	\$27.15/hr	\$45.47/hr.	\$41.77/hr.	\$45.47/hr.
Statutory Holidays	As per Collective Agreement	As per Collective Agreement	As per Collective Agreement	As per Collective Agreement

All Rates are subject to HST No. **107-694-119 RT001**.

5. The elimination of the administrative and user facility fee will reduce the financial burden on child care operators. In addition, staff will endeavour to minimize costs to child care operators by reviewing caretaking schedules to avoid supervision gaps. The staggering of custodial coverage will reduce overtime charges, which are significant costs to child care.

D. IMPLEMENTATION & STRATEGIC COMMUNICATIONS

1. The Community Use of Schools (CUS) department recommends that the proposed minimum supervision and cleaner fees (including overtime incurred) take effect on June 1, 2016, and be applied retroactively to all permits issued to child care operators.
2. The financial impact of a new minimum operational permit fee will be monitored with the Board's Web permits software. The CUS department will return with a report to Board detailing the impact of the fee reduction on TCDSB facilities.

E. STAFF RECOMMENDATION

That permit administrative and facility fees be waived for all child care operators retroactively from June 1, 2016.