



Update on Umbrella Child Care Agreement with the City of Toronto

To: Special Finance, Budget and Enrolment Committee

Date: 24 April, 2023

Report No.: 04-24-4515

Strategic Directions

- Create a Culture for Student and Staff Well-Being
- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Choose another strategic direction that applies (delete if not applicable)

Recommendation

It is recommended that the report be received.

Context

On December 7, 2022, the Board considered a written notice of motion:

“Whereas, the Toronto District School Board has a \$40.4M deficit for the school year 2022-23 with a three-year deficit recovery plan required by the Ministry of Education; and Whereas, the deficit recovery plan requires further cuts to programming for students;

Whereas, the federal government and the province of Ontario have reached an agreement that provides \$13.2B in new funding for childcare in Ontario;

Whereas, the City of Toronto, under Toronto Children's Services, is the provincially designated municipal childcare service agency for Toronto;

Whereas, the Board's child care umbrella agreement with the City of Toronto has limited the Board's ability to charge the City for the full cost of having childcare in our schools, limiting the reimbursement of operating cost to \$6.50 per square foot, when the Board's annual actual average operating cost for the 2021-22 fiscal year is at \$14.38 per square foot, meaning that the Board subsidizes child care using resources that should be used on its K-12 students;”

The Board approved the following motion:

- (a) That the Director be authorized to re-negotiate the umbrella agreement with Toronto Children Services to ensure that the Board is made financially whole going forward;
- (b) That, should the negotiations not be completed by January 31, 2023, that the Chair write to the Mayor of Toronto, the City Manager, and Children Services:
 - i. to provide notice that the Board will begin charging the actual per square foot cost effective January 1, 2024;
 - ii. should the City be unwilling to pay the revised rate, that they notify the Board, by February 1, 2023;
 - iii. that the cancellation of the agreement would be effective January 1, 2024.

Action Plan and Associated Timeline

As a result of the motion, in January 2023, Board staff sent a letter to the City to ask to renegotiate the umbrella agreement. The City responded back that they were not interested in renegotiating the agreement. As a result, staff sent a letter to terminate the agreement at the end of March.

On April 11, 2023, the Board received a letter from the Ministry of Education (Appendix A) regarding the status of the agreement between TDSB and the City. The letter indicated that the Ministry is developing a new child care formula and that in the interim, the Ministry would be supportive of an agreement for 2024 between the City and the Board that aligned with the benchmarks for operating and renewal costs under the School Facility Operations and Renewal Grant. It would equate to \$9.94 per square foot for elementary schools and \$9.95 per square foot for secondary schools.

On April 17, 2023, the Grant for Students Needs (GSN) was released and the memorandum indicated that “the Ministry of Education is developing a new sustainable child care funding model. As part of this process, the ministry is investigating options that would support the standardization of accommodation costs in school-based spaces, with rates set by the ministry, effective January 1, 2024. As such, school boards should plan conservatively for accommodation revenues until such time as the funding formula is finalized. The ministry intends to communicate these rates in summer 2023 through a future memorandum.”

The standardized rate of \$9.94/\$9.95 does not equal the TDSB’s estimated amount for cost recovery of \$15.97. Therefore, the Ministry funding would still create a significant shortfall of approximately \$4.6 million.

Staff will continue to review the information and work with the Ministry. If any changes are required to the direction provided, staff will update the Board of Trustees.

Appendices

- Appendix A: April 11, 2023 Letter From Ministry

From

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