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**REVISION TO THE OCTOBER 13, 2004 COMMITTEE REPORT:
INCREASE IN FUNDING FOR THE EARLY LEARNING AND CHILD CARE
INITIATIVE**

1. RECOMMENDATIONS

It is recommended that:

1. The gross and net expenditures identified in Recommendations 1 and 2 of the October 13, 2004 report to Community Services and Housing Committee on the Early Learning and Child Care Initiative (Clause 4 of Report No. 8 of the Commissioner of Community Services and Housing) be reduced to reflect revised gross and net expenditures presented in this report.

Table 1 outlines the original and revised ELCC Initiative costs.

Table 1
Original and Revised ELCC Initiative Costs (\$M)

	2004 Net Costs	2005 Net Costs
Original Costs	\$0.42	\$1.01
Revised Costs	\$0.07	\$0.3
Savings to Net Costs	\$ 0.35	\$0.71

2. PURPOSE

This report recommends a reduction in the net cost from the amounts recommended in the October 13, 2004 report to Community Services and Housing Committee on the ELCC Initiative.

3. BACKGROUND

The reduction in the Region's net cost for ELCC, from that presented in the October 13, 2004 report to Community Services and Housing Committee, is a result of negotiations and an agreement with the Province that occurred after the report's presentation to Committee on October 13, 2004.

4. ANALYSIS AND OPTIONS

The October 13, 2004 report to Committee on the Early Learning and Child Care Initiative recommends support for a new Provincial child care ELCC Initiative with a net cost to the Region of \$0.42 million in 2004 and consideration for \$1.01 million in the 2005 Budget Proposal.

Since then, staff have been negotiating with the Province to mitigate the Region's net expenditures by applying a portion of the new ELCC funds against current 100% Regionally funded Child Care Services.

The Province recognizes the support the Region itself has made to the Child Care Service System through its own 100% funding contributions, and it realizes the growth pressures York Region is experiencing. Subsequently, the Province approved staff's funding strategy on October 15, 2004, the result of which reduces the region's net costs for ELCC.

5. FINANCIAL IMPLICATIONS

The implementation of this funding strategy reduces the impact of Regional cost sharing for the ELCC Initiative from \$0.42 million to \$0.07 million in 2004 and from \$1.01 million to \$0.3 million to be considered as part of the 2005 Budget Proposal.

6. LOCAL MUNICIPAL IMPACT

The ELCC Initiative will be implemented in all local municipalities and will benefit all residents through increased quantity and quality of services

7. CONCLUSION

The funding strategy proposed by the Community Services and Housing Department to the Province reduces the Region's annual ELCC cost share from \$1,014,800 to \$298,395, a reduction of \$716,405. The Region may now implement ELCC at a significantly reduced net cost, and, at the same time, reach the targets established by the Province for this initiative.

The Senior Management Group has reviewed this report.