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CHILD CARE FEE ASSISTANCE UPDATE 2005 ACTIVITIES

The Community Services and Housing Committee recommends adoption of the recommendation contained in the following report, February 28, 2006 from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

The purpose of this report is twofold. First, to inform Committee and Council of the number of new, amended and terminated Purchase of Service Agreements for Child Care Fee Assistance. Second, to provide information on the number of licensed spaces and the number of children receiving child care fee assistance, by municipality, in 2005.

3. BACKGROUND

At its meeting on March 12, 1998, Regional Council authorized the Commissioner of Community Services and Housing to sign Purchase of Service Agreements with operators of licensed Day Nurseries within the Regional Municipality of York (Clause 6 of Report No. 3 of the Commissioner of Community Services and Housing). These operators must meet the following criteria:

- Possession of a current licence to operate a Day Nurseries Program, as certified by the Ministry of Children and Youth Services.
- A letter addressed to the Regional Clerk indicating a desire to enter into an agreement with The Regional Municipality of York.
- Proposed rates that do not exceed the range of rates paid to licensed programs within the currently approved Schedule of Rates.

Regional Council directed the Commissioner of Community Services and Housing to provide an annual report on the number of agreements entered into, amended or terminated by the Region, including the date, location and activity. *Attachment 1* outlines the changes to Purchase of Service Agreements for 2005.

3.1 Licensed Child Care Spaces and York Region Purchase of Service Subsidy

There are 22,995 licensed centre-based and 704 home-based child care spaces in York Region in which an average 2,834 children per month were subsidized by the Region within 2005 approved budget levels. *Attachment 2* shows the average number of children, receiving fee assistance per month. *Attachment 3* shows the percentage of children, receiving fee assistance per month, by municipality. *Attachment 4* shows the number of licensed centre-based spaces by municipality and age group.

4. ANALYSIS AND OPTIONS

4.1 Purchase of Service Agreements

York Region enters into Purchase of Service Agreements with operators to enable fee assistance to be paid for child care services for residents who qualify for fee assistance in accordance with provincial legislation and regional policy.

Of the 22,995 licensed centre-based spaces, 18,640 (81%) were covered by Purchase of Service Agreements with York Region in 2005, an increase of (1%) over 2004.

4.2 Changes to Purchase of Services Agreements

Table 1 summarizes the 2005 Purchase of Service activity:

Table 1
2005 Purchase of Service Activity

Description	Total
New Purchase of Service Agreements	15
Amended Purchase of Service Agreements	54
Terminated Purchase of Service Agreements	3

5. FINANCIAL IMPLICATIONS

The cost of Child Care Fee Assistance was accommodated within the approved 2005 Budget. The approved 2005 Budget for Child Care Fee Assistance was \$17,390,620. The actual expenditure was \$16,742,402 or 96.3% of the approved 2005 Budget.

6. LOCAL MUNICIPAL IMPACT

Child Care Fee Assistance provides support to employment for families in York Region, which, in turn, supports local industry and business.

7. CONCLUSION

As a result of growth in the child population and an increase in the number of low-income families, the current level of provincial funding for fee subsidy does not meet the community need. While the number of spaces covered by Purchase of Service Agreements has increased, the percentage of all licensed spaces for which provincial child care fee subsidy is available has decreased from 17% to 12% between 1999 and 2005.

The Community Services and Housing Department will provide this Purchase of Service Activity Report, licensed spaces and level of child care fee assistance on an annual basis.

The Senior Management Group has reviewed this report.

(The attachments referred to in this Clause are attached to this report.)