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CHILD CARE FEE ASSISTANCE UPDATE - 2006 ACTIVITIES

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, February 27, 2007, 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 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 2006.

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 2006.

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

There are 24,994 licensed centre-based and 640 home-based child care spaces in York Region in which an average 3,264 children per month were subsidized by the Region within 2006 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 24,994 licensed centre-based spaces, 21,158 (85%) were covered by Purchase of Service Agreements with York Region in 2006, an increase of (4%) over 2005.

4.2 Changes to Purchase of Services Agreements

Table 1 summarizes the 2006 Purchase of Service activity:

Table 1
2006 Purchase of Service Activity

Description	Total
New Purchase of Service Agreements	15
Amended Purchase of Service Agreements	48
Terminated Purchase of Service Agreements	8

5. FINANCIAL IMPLICATIONS

The approved 2006 Budget for Child Care Fee Assistance was \$24 million, which included \$6.5 million, 100% provincially funded, under the Best Start Initiative. Effective April 1, 2006, the Province reduced the Best Start allocation resulting in a planned under expenditure of \$3.1 million, against the 2006 Budget for Child Care Fee Assistance with no net savings.

It is important to note that while funding was reduced in year, increased funding under Best Start did allow for an overall increase in child care spaces, albeit below the original projections.

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 and promotes economic development.

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 10.4% between 1999 and 2006.

The Community Services and Housing Department will continue to provide the Child Care Fee Assistance Update, including this purchase of service activity reporting information, licensed spaces and the level of child care fee assistance, on an annual basis.

For more information on this report, contact Cathy Elliott, Manager of Child Care Services, Family and Children's Services, Community Services and Housing Department.

The Senior Management Group has reviewed this report.

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