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AMENDMENT TO REGIONAL SCHEDULE OF RATES FOR CHILD CARE FEE ASSISTANCE

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, March 18, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. Committee and Council approve the 2005 Regional Schedule of Rates for Child Care Fee Assistance (*see Attachment 1*).
2. The Commissioner of Community Services and Housing, or her delegate, be authorized to sign the amended agreements subject to prior review by the Regional Solicitor.

2. PURPOSE

The purpose of this report is to seek approval from Committee and Council for the 2005 Regional Schedule of Rates for Child Care Fee Assistance, effective January 1, 2005.

3. BACKGROUND

In September 1998, Council approved a Regional Schedule of Rates thereby introducing a standard subsidy structure to the Child Care Fee Assistance Program in York Region.

Council also approved that the Commissioner annually review the schedule based on an analysis of market pricing in York Region, approved budget and service levels.

The annual review of the Rate Schedule encourages operators to maintain the number of spaces that they make available for fee assistance by allowing for market adjustments while maintaining competitiveness.

4. ANALYSIS AND OPTIONS

4.1 Current System of Fee Assistance

The Region administers a Child Care Fee Assistance Program, which currently subsidizes an average of 2,801 children per month. There are over 20,000 licensed centre-based and

home-based child care spaces in York Region. Of the over 20,000 licensed spaces, 15,968 (78%) are covered by Purchase of Service Agreements.

The 2005 Rate Survey was distributed in January 2005 to all licensed operators who have a Purchase of Service Agreement with the Regional Municipality of York.

The purpose of the survey is to collect operators' rates to the public. The rate information submitted by operators is used to calculate the average cost of care in York Region.

4.2 Approved 2005 Budget

Based on the survey analysis, it is estimated that the cost of increasing rates paid to operators will be \$349,000. The \$349,000 to support the increase to the Regional Schedule of Rates has been approved within the 2005 Budget.

4.3 Impact on Operators Rates

The amendment to the Schedule of Rates includes an average overall increase of 2.5%, except for the summer rate which will remain the same, and will be implemented as follows:

- Operators currently receiving rates below the recommended schedule will move to the new rate, effective January 1, 2005.
- Operators will not be paid a rate higher than the approved Schedule of Rates.
- Operators will not be paid a rate that is higher than their existing price to the public currently on file with the Region.

The review of rates and an annual increase to the Regional Schedule of Rates for Child Care Fee Assistance is essential to the ongoing stability of the child care system in York Region. It supports operators' efforts to meet annual salary/cost of living increase costs, address ongoing property and facility costs and to keep pace with annual operating cost increase (purchase of food, supplies, and equipment).

4.4 Implementation Strategy

The Community Services and Housing Department will advise operators of changes regarding approved rates and will amend Purchase of Service Agreements to reflect the new rates effective January 1, 2005.

4.5 Relationship to Vision 2026

This Program supports the following actions of Vision 2026:

- Fostering effective working relationships with community agencies and organizations.
- Responding to children in need.

5. FINANCIAL IMPLICATIONS

The implementation of the increase to the Regional Schedule of Rates will be managed within the 2005 Budget.

6. LOCAL MUNICIPAL IMPACT

The implementation of the amended Schedule of Rates for Child Care Fee Assistance will continue to provide stability to the child care system across all municipalities in York Region.

7. CONCLUSION

The amendment to the Regional Schedule of Rates for Child Care Fee Assistance supports the Commissioner of Community Services and Housing's annual review of the schedule based on an analysis of market pricing, approved budget and service levels.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)