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AMENDMENT TO REGIONAL SCHEDULE OF RATES FOR CHILD CARE FEE ASSISTANCE

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, April 3, 2008, from the Commissioner of Community and Health Services:

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve the 2008 Regional Schedule of Rates for Child Care Fee Assistance, effective January 1, 2008.

2. PURPOSE

This report recommends approval from Regional Council for the 2008 Regional Schedule of Rates for Child Care Fee Assistance (*see Attachment 1*), effective January 1, 2008.

3. BACKGROUND

York Region established a Regional Schedule of Rates for the Child Care Fee Assistance program which is reviewed annually

In September 1998, Regional Council approved the implementation of a Regional Schedule of Rates for Child Care Fee Assistance in York Region through the adoption of Clause No. 5 of Report No. 8 of the Health and Social Services Committee. This Schedule of Rates provides a standard subsidy structure of the maximum rate paid to child care operators for child care services provided to eligible families.

Regional Council also approved that the Commissioner, through Family and Children's Services, review the Schedule of Rates annually. This annual review recommends changes based on the analysis of market pricing in York Region, as well as approved budget and service levels.

4. ANALYSIS AND OPTIONS

The Consolidated Day Nurseries Agreement includes an approved Schedule of Rates for the Child Care Fee Assistance Program

York Region currently subsidizes a monthly average of 3,232 children through the Child Care Fee Assistance Program. There is a total of 27,993 licensed centre-based and home-based spaces in York Region. Approximately 22,986 (85%) of licensed centre-based and 867 (100%) of home-based spaces are covered by the Consolidated Day Nurseries Agreement. Every operator with a Consolidated Day Nurseries Agreement has an approved schedule of rates with each rate being the lessor of the Regional Schedule of Rates or the market rate charged by the operator. This provides a standardized, consistent business practice for all operators that have a Consolidated Day Nurseries Agreement.

An annual Operator Rate Survey provides information on the average cost of child care

An Operator Rate Survey was distributed in January 2008 to all operators who currently have a Consolidated Day Nurseries Agreement with York Region. This survey collects, from the operator, the market rate that is charged to the public effective January 1, 2008. This information submitted by operators is used to calculate the average daily cost of care, by age group, in York Region.

Survey supports an average increase of 2% to the Regional Schedule of Rates

Based on this survey, the Commissioner recommends an average increase of 2% to the 2008 Regional Schedule of Rates for Child Care Fee Assistance to recognize the increased costs for child care operators in York Region. The implementation of the 2008 Regional Schedule of Rates will also encourage operators to maintain the number of subsidized child care spaces available to eligible families across York Region.

Operators may receive a maximum of a 2% increase to the rates currently approved through the Consolidated Day Nurseries Agreement. The 2008 rates approved for each operator will be the lessor of the 2008 Regional Schedule of Rates or the market rate charged to the public by the operator, currently on file with the Region.

Upon approval by Regional Council, Family and Children's Services will advise operators of the revised 2008 Regional Schedule of Rates, effective January 1, 2008, and will amend all Consolidated Day Nurseries Agreements to reflect the new rates.

5. FINANCIAL IMPLICATIONS

The cost of increasing the rates paid to child care operators by an average of 2% will be approximately \$414,000 gross and \$82,800 net, based on the provincial:municipal cost sharing ratio of 80:20. This proposed rate increase will be managed within the 2008 Budget approval.

6. LOCAL MUNICIPAL IMPACT

The implementation of the revised 2008 Regional Schedule of Rates will continue to provide stability to the child care system across York Region.

7. CONCLUSION

The revised 2008 Regional Schedule of Rates supports operators by recognizing their increased costs to provide licensed, quality child care spaces in York Region.

The revised 2008 Regional Schedule of Rates also supports affordability of child care spaces for eligible families.

For more information on this report, please contact Elizabeth Wagle, Director of Family and Children's Services at Ext. 2089.

The Senior Management Group has reviewed this report.

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