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CHILD CARE MATTERS UPDATE - 2003

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, April 1, 2004, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. *Child Care Matters Update 2003* be received for information by Committee and Council (*see Attachment 1*).
2. The Provincial Government be requested to cover the funding shortfall as outlined in the document *Child Care Matters Update 2003*.

2. PURPOSE

To provide Committee and Council with information requested by the Province concerning service levels, trends and funding of child care programs in York Region, including Child Care Fee Assistance, Early Intervention Services, Child Care Special Needs Resourcing, Wage Subsidy and the Resource Centre.

3. BACKGROUND

Effective 2001, the Ministry of Community, Family and Children's Services (formerly the Ministry of Community and Social Services) required Consolidated Municipal Service Managers (CMSMs) to submit an annual update to the Local Child Care Service Plan.

York Region's Child Care Service Plan - *Child Care Matters, May 2001* which was approved by Regional Council and the Province, provides the context, framework and direction for the planning and management of the child care service system and service delivery in York Region for 2001 - 2003. In addition to building on previous York Region child care planning initiatives, the development of the 2001 - 2003 York Region Child Care Service Plan included processes for community input and processes to solicit information and advice specific to its development. It also draws on a number of other recent planning, consultation and/or information gathering initiatives including service provider round tables.

4. ANALYSIS AND OPTIONS

Changes to the *Day Nurseries Act*, effective July 1, 1999, expanded York Region's child care service system responsibilities to include the administration of all child care fee subsidies, child care special needs resourcing, wage subsidy and resource centres. The following provides a brief summary of the content of *Child Care Matters Update 2003*.

4.1 Child Care

Since the beginning of 1999, the number of licensed spaces grew by 54% or 7,203 spaces to 20,397 at the end of 2003. However, as a result of the growth in the child population in York Region, there are only sufficient licensed spaces to accommodate approximately 19% of children 0 to 12 years of age whose parents are employed.

The level of provincial funding for child care fee assistance has remained the same since child care responsibilities were downloaded in 1999. The subsidy was reduced in 2003 resulting in a decline in both the percentage of licensed spaces which are subsidized through child care fee assistance from 17% in 1999 to 10.6% in 2003 and the percentage of children for whom child care fee assistance is available. In order to bring the level of funding for child care fee assistance to the 1999 level of 17% of licensed spaces, an increase of approximately \$10 million in provincial funding approval is required for an additional 1,326 spaces.

Provincial funding for child care fee subsidies is available to less than 15% of families with children 0 to 12 years of age whose income is below the Low Income Cut Off established by Statistics Canada.

Lone parents utilize over 70% of all child care fee assistance. The majority of families in receipt of child care fee assistance are employed (78%) or are full-time students (11%).

York Region had approved its portion of funding for additional fee assisted child care spaces but the Province did not provide its 80% share. Annual requests to the Province for increased funding since 1998 have been denied.

4.2 Children with Special Needs

Early identification and assessment are important in ensuring that children with special needs receive the support services they require during the critical period from 0 to 6 years of age. Research indicates that at least 5% of children 0 to 6 years of age (3,334 children) have some special need and would therefore benefit from Early Intervention Services. However, since provincial funding has not kept pace with the child population growth in York Region, an average of only 1.3% of all children 0 to 6 years of age can be serviced by Early Intervention Services monthly. York Region approved additional municipal funding for this program of approximately \$1.6 million without which almost 300 children currently being served would not be. An increase of approximately \$13.3 million in provincial funding would be required in order to provide Early Intervention Services to 5% of children 0-6 years of age in York Region.

4.3 Wage Subsidy

Wage Subsidy is the combination of several provincial funding initiatives introduced in 1987 and again in 1993 in response to low levels of compensation in the child care field and to address issues of affordability and stability in the service sector. The provincial wage subsidy funding approval to York Region has not increased since 1999, when responsibility for administering this program was downloaded from the province to York Region. During the same period, the number of licensed child care spaces which are eligible for wage subsidy, should funding become available, has increased by 54%, resulting in a significant shortfall in funding and 36% of child care operators in York Region do not receive any wage subsidy dollars. In order to bring the level of funding for wage subsidy to the level required to implement the Ministry's 2000 guideline, an increase of approximately \$7 million in provincial funding approval is required.

4.4 New Provincial Funding Announcement - One Time Funding

On March 13, 2003, the Multilateral Framework on Early Learning and Child Care was released by federal, provincial and territorial social services ministers. Over the next five years, \$900 million in federal funds will flow to the provinces and territories for regulated early learning and child care programs for children under the age of six.

The federal government began to flow funds in November 2003 through the Canada Health and Social Transfer. The Ontario government's share of the Federal Early Learning and Child Care Funds in 2003/2004 is \$9.7 million.

On January 7, 2004, the Ontario Minister of Children's Services announced that the Ontario government will strengthen child care and early learning by making \$9.7 million in federal funds available to municipalities. York Region will receive \$753,146 of this funding to address health and safety improvements and the purchase of new equipment by licensed non-profit child care operators serving children under six.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report but it should be noted that in order to meet increasing demands for children's services, York Region invests significant amounts of non-shareable municipal dollars.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

York Region has been historically viewed as a Region that is rich in resources and wealth. It is still comparatively well off but the social fabric of its community is changing. There are growing wait lists for vital services such as child care fee assistance and programs for children with special needs.

It is important to note that Provincial funding has not kept pace with the child population growth in York Region resulting in York Region's funding for child care fee assistance, special needs resourcing and wage subsidy being 64% of the provincial average. In order to bring the level of child care funding to the 1999/2000 level, an increase in provincial funding approval of \$17 million would be required.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the April 14, 2004 Community Services and Housing Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)