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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, May 5, 2006, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the 2006 Regional Schedule of Rates for Child Care Fee Assistance (*see Attachment 1*).
2. The Commissioner of Community Services, Housing and Health Services, or her designate, 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 Council for the 2006 Regional Schedule of Rates for Child Care Fee Assistance, effective January 1, 2006.

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 and approved budget and service levels.

The implementation of the 2006 Rate Schedule will encourage operators to maintain the number of spaces that they make available for fee assistance and will be managed within the approved 2006 Budget.

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 2,834 children per month. There are over 23,000 licensed centre-based and

home-based child care spaces in York Region. Of the over 23,000 licensed spaces, 18,640 (81%) are covered by Purchase of Service Agreements.

The 2006 Rate Survey was distributed in January 2006 to all licensed operators who have a Purchase of Service Agreement with the Regional Municipality of York.

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

4.2 Increase in Rates

The amendment to the Schedule of Rates includes an average overall increase of 3%. The 3% increase is the average increase to the market rate determined through the survey of rates charged by the child care operators to the public.

A 3% increase to the Region Schedule of Rates for Child Care Fee Assistance will contribute to the availability of subsidized spaces in York Region through recognition of increased operating costs. The implementation of the 2006 Rate Schedule will encourage operators to maintain or increase the number of spaces they make available for fee assisted children. In addition, it provides a standardised business practice that is consistent for all operators.

4.3 Approved 2006 Budget

Based on the survey analysis, it is estimated that the cost of increasing rates paid to operators will be \$420,000. The \$420,000 to support the increase to the Regional Schedule of Rates has been approved within the 2006 Budget. The net Regional cost will be \$71,400 and will be managed within the 2006 Budget Approval.

Table 1
Breakdown of Cost Sharing

Provincial Share (80%)	\$285,600
York Region Share (20%)	\$71,400
Provincial Share (100%)	\$63,000
Total	\$420,000

4.4 Impact on Operators Rates

The amendment to the Schedule of Rates includes an average overall increase of 3% and will be implemented as follows:

- Operators currently receiving rates below the recommended schedule will move to the new rate, effective January 1, 2006.
- Operators currently receiving rates above the recommended schedule will be held at their current 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 2006 review of rates paid to operators indicates that the majority of operators will receive their current market rate to the public or an increase to that rate if eligible.

4.5 Implementation Strategy

Upon approval, 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, 2006.

4.6 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 was accounted for in the 2006 budget submission and will be managed within the 2006 Budget Approval.

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, Housing and Health Services' 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.)