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ADDITIONAL FUNDING TO SUPPORT CHILD CARE FEE SUBSIDIES AND TRANSITION MINOR CAPITAL

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated March 28, 2012, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. Council authorize additional gross expenditures of up to \$1,275,975 in 2012 for the Full Day Kindergarten Extended Day Initiative, Transition Operating Initiative and Transition Minor Capital Initiative, offset by 100% provincial funding from the Ministry of Education with no tax levy impact.

2. PURPOSE

This report requests that Council endorse an annual \$1,275,975 increase in funding for Extended Day Fee Subsidies, Transition Operating Fee Subsidies and Transition Minor Capital funding. This is the result of implementation of full day kindergarten and will be offset by 100% provincial funding as part of the transition of child care under the Ministry of Education.

3. BACKGROUND

In 2009, Province of Ontario announced implementation of full day kindergarten and integrated the child care system under the Ministry of Education

In June 2009, Dr. Charles Pascal released the report "*With Our Best Future in Mind*", which contained a number of recommendations for broad changes to the Early Learning and Child Care System in Ontario. In October 2009, the Province announced the implementation of full day learning for four and five year olds, phasing it in between September 2010 and September 2014. In 2010 and 2011, the Ministry of Education assumed policy management and contract management/funding for all provincial child care responsibilities. This move brought both the education system and the child care system under the same Provincial ministry. Municipalities, in working with the Ministry of Education, continue to work directly with child care operators who operate the extended day programs at full day kindergarten schools.

Changes to the Early Learning and Child Care System results in the need for funding to support and stabilize the child care system during the transition

In April 2010, the Province announced the provision of new funding to support the transition of child care to the Ministry of Education and to stabilize the impact on operators during the implementation of full day kindergarten. Transition Minor Capital funding is directed towards child care programs that have been destabilized by the implementation of full day kindergarten. It also allows operators to make minor renovations to serve younger age groups. Transition operating funding supports additional fee subsidies for eligible families on the waiting list.

Full day kindergarten and extended day programs are being phased into York Region

In York Region, implementation of the full day kindergarten program began in September 2010. As of September 2011, 58 schools offer the program, with 63 more schools operating the program in September 2012.

In addition to full day kindergarten, Boards of Education across Ontario have the option of providing before and after school programs, at additional cost, either through direct operation or through the use of a third party licensed child care operator in the school. In York Region, Boards of Education provide these programs through the use of third party licensed child care operators. As of September 2011, 48 of the Region's 58 full day kindergarten schools provided before and after school programs.

In January 2012, York Region received an increase of \$1,275,975 of 100% provincial funding for extended day fee subsidies, transition operating fee subsidies and transition minor capital (effective January 1, 2012).

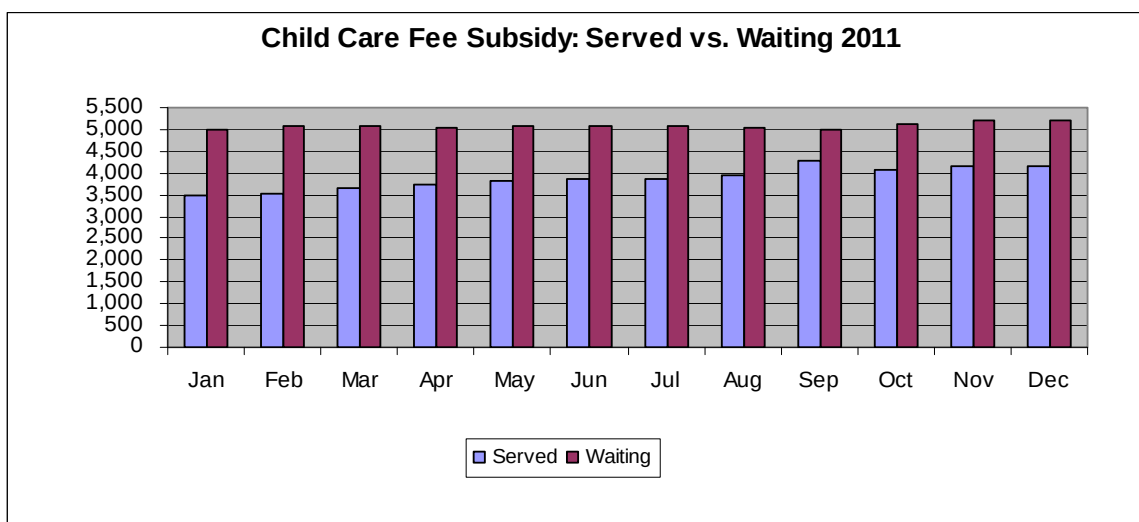
On January 1, 2011, the Ministry of Education assumed contract management/funding responsibility for the child care system which includes fee subsidies, wage subsidies and special needs resourcing. New funding received in the 2012 provincial contract to support fee subsidies and increased access to licensed spaces will allow families on current waitlist to obtain affordable licensed child care. On January 17, 2012, the Ministry of Education provided updated Business Practice Guidelines which continue to provide municipalities with the financial flexibility to direct funding to support the needs of local communities and manage the waitlist.

4. ANALYSIS AND OPTIONS

Additional funding supports increased access to licensed child care for eligible families on the waitlist

In December 2011, York Region had a waitlist of 5,196 families and provided child care fee subsidy to an average of 4,171 children. Table 1 shows the waitlist and service provision trend for January to December 2011. Approximately \$1 million dollars of the provincial funding, when added to the approved Regional funding for child care fee subsidy through the 2012 budget process, will provide subsidy for approximately 200 additional children. Approximately \$275,000 of the province's funding will support licensed child care programs affected by full day kindergarten to change their programs to serve children 0 – 3.8 years of age. These changes will increase access to licensed child care for younger children.

Table 1
Children's Services



2011 Comparison	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Served *	3,469	3,528	3,630	3,722	3,800	3,874	3,867	3,961	4,268	4,081	4,167	4,171
Waiting**	4,988	5,076	5,071	5,038	5,076	5,091	5,090	5,024	4,994	5,126	5,187	5,196

* Average Monthly Number of Children Served

** Monthly Number of Families with Children Waitlisted

◆ Children requiring subsidy is exceeding the number of children receiving subsidy as a result of a rapidly growing child population and inadequate levels of provincial funding.

Link to key Council–approved plans

The recommendation to approve the increase in gross expenditures offset by 100% provincial funding from the Ministry of Education supports the Regional Official Plan and Vision 2051 through the provision of human services that strengthens communities and increases access to affordable child care for families to help them reach their social and economic potential. This funding also supports the 2011 – 2015 Strategic Plan and the Multi Year Plan goal of enhancing fee subsidy levels to mitigate the growth of the waitlist and support low income families to work or study and contribute to Regional economic vitality.

5. FINANCIAL IMPLICATIONS

Additional 100% Provincial Subsidy means no tax levy impact, the opportunity to maintain service levels and leverage 2012 Multi Year Plan dollars to support families on the waitlist with access to fee subsidy

Effective January 1, 2012, York Region has received an additional \$1,275,975 in extended day fee subsidy, transition operating funding (fee subsidy) and transition minor capital funding from the Ministry of Education. This additional funding will result in an increase in the 2012 gross expenditures, offset by 100% provincial funding, with no impact on tax levy. The increase in fee subsidy funding will be used to increase the availability of child care subsidies to eligible families on the waitlist. The increase in minor capital funding will be used to support operators who have demonstrated a significant impact on their operations due to the implementation of full day kindergarten.

On March 27, 2012, the Provincial Government tabled its 2012/2013 budget. The above funding provided to York Region through the 2012 Ministry of Education Contract appears to remain intact. The 2012/13 Provincial Budget supported the ongoing implementation of the Full Day Kindergarten initiative and did not indicate any funding reductions associated with the above initiatives in 2012.

6. LOCAL MUNICIPAL IMPACT

The implementation of the Full Day Kindergarten program and other changes in the early learning sector will be good for children and families in all local municipalities.

Child Care fee assistance allows parents access to licensed, quality child care programs so they can pursue employment and/or education opportunities. This, in turn, supports local industry, promotes economic development, strengthens local communities and supports families in moving towards independence. The new Full Day Kindergarten program plays a critical role in promoting healthy child development so children

throughout the Region are able to achieve their greatest potential and, in time, contribute to their community and the vitality of York Region.

7. CONCLUSION

The child population and number of lower income families continue to grow in York Region. It is critical that funding for services that support families to achieve success and independence exists to serve the needs in the community. The additional fee subsidy funding and minor capital funding will increase access to a broader range of programs and increase the affordability of child care for families. This will in turn allow parents to work and/or receive training to continue to contribute to the communities and economy in York Region.

For more information on this report, please contact Cordelia Abankwa-Harris, Acting General Manager, Social Services at Extension 2150.

The Senior Management Group has reviewed this report.