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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 23, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATION

It is recommended that:

1. Council approve the 2007 Regional Schedule of Rates for Child Care Fee Assistance (*see Attachment 1*).

2. PURPOSE

The purpose of this report is to seek approval from Council for the 2007 Regional Schedule of Rates for Child Care Fee Assistance, effective January 1, 2007.

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 2007 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 2007 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 3,264 children per month. There are over 24,994 licensed centre-based and home-based child care spaces in York Region. Of the over 24,994 licensed spaces, 21,158 (85%) are covered by Purchase of Service Agreements.

The 2007 Rate Survey was distributed in February 2007 to all licensed operators who have a Purchase of Service Agreement with the Region.

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 recommended average 2% increase to the Regional 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 2007 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 standardized business practice that is consistent for all operators.

4.3 Impact on Operators Rates

The amendment to the Schedule of Rates includes an average overall increase of 2% and will be implemented as follows:

- Operators currently receiving rates below the recommended schedule will move to the new rate, effective January 1, 2007.
- 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 2007 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.

4.4 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, 2007.

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

It is estimated that the cost of increasing rates paid to operators by an average of 2% will be \$482,000 gross and \$96,400 net, based on the provincial: municipal cost sharing ratio of 80:20. This proposed rate increase has been incorporated into the 2007 Budget and will be managed within this 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 recommended amendment to the Regional Schedule of Rates for Child Care Fee Assistance is supported by 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.

For more information on this report, contact Elizabeth Wagle, Director, Family and Children's Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.

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