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AMENDMENT TO THE REGIONAL SCHEDULE OF RATES FOR CHILD CARE FEE ASSISTANCE

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated May 19, 2010, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve the 2010 Regional Schedule of Rates for Child Care Fee Assistance (*see Attachment 1*), effective September 1, 2010.

2. PURPOSE

This report recommends approval from Regional Council for the 2010 Regional Schedule of Rates for Child Care Fee Assistance, effective September 1, 2010.

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. 9 of Report No. 9 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.

Regional Council also approved that the Commissioner, through the Social Services Branch, review the Schedule of Rates annually. The annual review provides an analysis of the changes in market pricing for child care services in York Region. This analysis is utilized to make recommendations for changes to the Schedule of Rates that can be accommodated within 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

In 2010, York Region budgeted to provide subsidies to a monthly average of 3,574 children through the Child Care Fee Assistance Program. Based on a recent analysis, there are approximately 31,046 licensed centre-based and home-based spaces in York Region. Approximately 86% (25,926) of the 30,146 licensed centre-based and 100% (900) of the 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 lesser of the Regional Schedule of Rates, or the market rates charged to the public by the operator. This process provides a standardized, consistent business practice for all operators that have a Consolidated Day Nurseries Agreement.

The annual rate survey that is completed by operators provides information on the average daily cost of child care for all age groups

In January 2010, the annual rate survey was distributed to all operators who currently have a Consolidated Day Nurseries Agreement with York Region. This survey, completed by the operator, identified the market rate for child care fees that are charged to the public effective January 1, 2010. This information was submitted by operators and was used to calculate the average daily market rate of child care, by age group, in York Region.

The rate survey results support an average increase of 1.6% to the Regional Schedule of Rates to be implemented on September 1, 2010

Based on the analysis of the survey and consideration of the approved budget and impacts on service levels, an average increase of 1.6% to the 2010 Regional Schedule of Rates for Child Care Fee Assistance is recommended, effective September 1, 2010. The implementation of the 2010 Regional Schedule of Rates will also help to encourage operators to maintain the number of subsidized child care spaces available to eligible families across York Region.

In recent years, increases to the Schedule of Rates was generally backdated to the beginning of the calendar year. The recommendation to implement the increase effective September 1, 2010 is based on the many changes in the child care system taking place this year as a result of the rollout of the Provincial Early Learning Program combined with the fact that further information on fee subsidy for children in before and after care in Junior and Senior Kindergarten is still pending. Backdating the increase to January 1 within existing budget could mean the reduction of at least 50 average monthly spaces, while beginning on September 1 could impact 13, helping, therefore, to maintain levels of service while still introducing a rate increase.

Although operators may receive a maximum increase of 1.6% to the current rates, the new rates approved for each operator will be the lesser of the 2010 Regional Schedule of Rates or the market rate charged to the public by the operator.

Revisions to the Regional Schedule of Rates will assist in preparation for the implementation of Phase 1 of the Early Learning Program in September 2010

Community and Health Services staff have been working with child care operators, the school boards, community planning tables and other stakeholders, as the Province moves forward with Phase 1 of the Ontario Early Learning Program in September 2010, with 39 schools offering full day learning in York Region. While further information is pending from the Province, it is anticipated that there will be changes to the provision of fee subsidy to support before and after school care. In order to prepare for these changes, the Regional Schedule of Rates has been amended to include three new rate codes for the kindergarten age group. These new rate codes will be used to place eligible families in centre based child care, utilizing the hours that families require, while maximizing the effective and efficient use of fee subsidy funding.

Upon approval by Regional Council, the Child Care Services Unit of the Social Services Branch, will advise operators of the revised 2010 Regional Schedule of Rates, to be effective September 1, 2010 and will amend all Consolidated Day Nurseries Agreements to reflect the new rates.

5. FINANCIAL IMPLICATIONS

This proposed rate increase for centre-based and home-based child care will be managed within the approved 2010 tax levy budget for Community and Health Services and/or by accessing unconditional grant funding set aside under the Best Start mitigation strategy. The 2010 budget for child care fee assistance is \$23,952,700 gross and \$3,486,600 net.

6. LOCAL MUNICIPAL IMPACT

Child care fee assistance provides support to employment and education for families in York Region. This, in turn, supports local industry, promotes economic development, and strengthens local communities. The implementation of the revised 2010 Regional Schedule of Rates will assist in continuing to provide stability to the child care system across York Region.

7. CONCLUSION

The revised 2010 Regional Schedule of Rates, to be implemented on September 1, 2010, supports operators by recognizing their increased costs to provide licensed, quality child care spaces in York Region while helping to maintain the availability of subsidized child care spaces and supporting affordability for eligible families. It also supports the anticipated changes to the child care system as a result of the implementation of Phase 1 of the province-wide Early Learning Program.

For more information on this report, please contact David Rennie, General Manager, Social Services at Ext. 2013.

The Senior Management Group has reviewed this report.

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

COUNCIL ATTACHMENT 1

REGIONAL SCHEDULE OF RATES FOR CHILD CARE FEE ASSISTANCE

Effective September 1, 2010

Centre-Based Child Care		January 1, 2009	September 1, 2010
Infant	Full Day	55.59	\$56.48
	Half Day	32.23	32.75
Toddler	Full Day	43.04	43.73
	Half Day	27.44	27.88
Pre-School	Full Day	36.92	37.51
	Half Day	25.14	25.54
Kindergarten	Full Day	35.70	36.27
	Before School	*	11.40
	After School	*	17.10
	Before and After School	*	28.50
	Alternate Day	33.92	34.46
School Age	Full Day	34.22	34.77
	Summer Rate	35.19	35.75
	Before School	8.52	8.66
	After School	13.16	13.37
	Before and After School	16.83	17.10
Nursery School	Session	16.58	16.85

Home-Based Child Care		January 1, 2009	September 1, 2010
Infant	Full Day (6 hours to 11 hours)	42.94	\$43.63
	Half Day (3 hours to less than 6 hours)	32.03	32.54
	Part Day (1 hour to less than 3 hours)	20.11	20.43
Toddler	Full Day (6 hours to 11 hours)	41.82	42.49
	Half Day (3 hours to less than 6 hours)	31.88	32.39
	Part Day (1 hour to less than 3 hours)	19.00	19.30
Pre-School	Full Day (6 hours to 11 hours)	35.09	35.65
	Half Day (3 hours to less than 6 hours)	27.95	28.40
	Part Day (1 hour to less than 3 hours)	19.00	19.30
Kindergarten	Full Day (6 hours to 11 hours)	34.73	35.29
	Half Day (3 hours to less than 6 hours)	27.9	28.35
	Part Day (1 hour to less than 3 hours)	19.00	19.30
School Age	Full Day (6 hours to 11 hours)	32.44	32.96
	Half Day (3 hours to less than 6 hours)	24.99	25.39
	Part Day (1 hour to less than 3 hours)	17.83	18.12

* New rate codes to prepare for the implementation of the Early Learning Program that did not exist previously