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“BEST START” CHILD CARE SERVICE EXPANSION OPPORTUNITY

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, May 28, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve additional gross expenditures in 2007 of up to \$1.6 million, offset by 100% provincial subsidy of \$1.6 million with no change to the 2007 budgeted net tax levy expenditure.
2. The 2008 Budget incorporate additional expenditures related to Best Start of up to \$2.15 million offset by 100% provincial subsidy of \$2.15 million with no increase to net tax levy expenditures.

2. PURPOSE

As part of its broader Best Start Initiative, effective April 1, 2007, the Province has allocated an additional \$2.15 million annually to York Region resulting in a prorated allocation of \$1.6 million in 2007 to expand child care services. This money does not require the usual 20% municipal share.

When the Province allocates additional funding for child care it is our role as the Consolidated Municipal Service Manager (CMSM) to develop a plan for expanded services, allocate the funds to service providers for the expanded services, and perform due diligence activities relating to the services and the expenditures.

3. BACKGROUND

In November 2004, the Ministry of Children and Youth announced its Ontario's Best Start Initiative. Best Start is a comprehensive, evidence-based early learning and care strategy designed to help provide Ontario's children with the best possible start in life and help them to achieve success in school. The initiative is being phased in over 10 years and is comprised of a number of components including the expansion of child care fee subsidy, child care special needs resourcing, and supports to child care operators through wage subsidy.

4. ANALYSIS AND OPTIONS

4.1 Best Start Program Funding

Best Start Direct Program Funding includes child care fee assistance, delivery of services to children with special needs, and wage subsidy funding to enhance the salaries of Early Childhood Practitioners working in licensed child care programs. These funds may not be used for infrastructure costs to expand the child care system.

This funding enables York Region to address the top priorities identified in *Child Care Matters—the Child Care Service Plan for York Region* and through community consultation. These priorities include:

- Increase the number of child care fee assisted spaces by 50, from 2,931 to 2,981.
- Implement an increase in wage subsidy for child care centres not receiving the level of wage subsidy for which they are eligible.
- Increase the monthly average number of children with special needs in receipt of Early Intervention Services by 78, from 1,122 to 1,200.

4.2 Relationship to Vision 2026

The Best Start Phase 1 Implementation of child care service expansion supports Vision 2026 by:

- Responding to children in need.
- Enabling access to services that aid in early child development.
- Anticipating and responding to the human service needs of a growing and changing population.
- Fostering effective working relationships with community partners.
- Working with federal and provincial government partners.

5. FINANCIAL IMPLICATIONS

The Province, effective April 1, 2007, has approved an increase to York Region in annual funding of \$2.15 million resulting in a prorated allocation of \$1.6 million in 2007 with no impact to tax levy as this 100% provincial funding does not require the usual 20% municipal share. The increase in funding is intended to increase availability of child care subsidies, expand the delivery of services to children with special needs and improve wages for Early Childhood Practitioners. Our funding allocation contains sufficient dollars to address reasonable increases to corporate service expenditures required to support this Department.

There is a financial consideration when the initiative ends in 2009. It is not known whether at that time, 100% funding will continue, or will be subject to its usual cost sharing. In 2006, Council approved a mitigation strategy to minimize the tax levy impact of future cost sharing or provincial funding changes.

6. LOCAL MUNICIPAL IMPACT

According to York Region's Economic Strategy, a skilled workforce is one of the key drivers to retain the Region's competitiveness, attract investment and ensure future economic development. Access to quality child care is essential to allow parents to participate in the workforce and support York Region's economic prosperity.

In reality, quality child care is a strong economic development tool and a vital employment support. Local municipalities and local businesses benefit from a stable, expanded, quality child care system.

Additionally, it has been evidenced in studies and research papers that child care plays a key role in promoting healthy child development and helping children arrive at school ready to achieve success. It is also an essential support for many parents, helping them to balance the demands of career and family while participating in the workforce, or pursuing education or training.

Child Care Fee Assistance and Wage Subsidy Funding are provided in all local municipalities, therefore residents and child care agencies in all municipalities in York Region will benefit from the increased quantity and quality of service.

7. CONCLUSION

The Regional Municipality of York is currently maximizing funding for child care fee assistance, early intervention services, and wage subsidy. The fact that provincial child care funding has not kept pace with the 17% rise in the child population since 1996 has resulted in growing wait lists for services. In March 2007, there was a wait list of over 2,000 for child care fee assistance and a shortfall of \$6.6 million in wage subsidy funding to child care operators.

The Best Start Initiative provides York Region with a limited opportunity to address long standing wait list and service issues in child care and, at the same time, offers 100% funding for a minimum of three years.

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.