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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, August 26, 2008, from the Commissioner of Community and Health Services:**

#### **1. RECOMMENDATIONS**

It is recommended that:

1. Regional Council approve an increase in gross expenditures in 2008 of up to \$1.2 million in the Best Start Initiative, offset by 100% provincial subsidy of \$1.2 million with no change to the 2008 budgeted net tax levy expenditure.
2. The 2009 Budget include an increase of \$1.6 million in Best Start expenditures, offset by 100% provincial subsidy of \$1.6 million with no increase to net tax levy expenditures.

#### **2. PURPOSE**

This report requests Regional Council approve an annual \$1.6 million increase in Best Start funding offset by 100% provincial subsidy as part of the Province's broader Best Start Initiative.

#### **3. BACKGROUND**

##### **Province provides additional Best Start funding for Fee Subsidy**

The Province has increased its level of Best Start funding to York Region effective April 1, 2008. This increase, specifically for Best Start Fee Subsidy, is in addition to the increase that was previously approved by Council on September 27, 2007 through Clause No. 4 of Report No. 7 of the Community Services and Housing Committee.

In November 2004, the Ministry of Children and Youth Services 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 has been phased in over the past several 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/wage improvement.

#### **4. ANALYSIS AND OPTIONS**

##### **New Best Start funding will go directly to address the waitlist for child care fee subsidy**

The Province has directed that the increase in Best Start funding be used specifically for child care fee subsidy. This will enable York Region to increase access to affordable child care for families currently on the waitlist of over 3,500 children (June 30, 2008).

This program funding of \$1.6 million will increase the number of child care fee assisted spaces by 166, from 3,043 to 3,209.

#### **5. FINANCIAL IMPLICATIONS**

##### **100% provincial subsidy means no impact on tax levy**

Effective April 1, 2008, York Region will receive an additional increase in annual funding of \$1.6 million resulting in a pro-rated allocation of \$1.2 million in 2008 with no impact to the tax levy. The additional funding will be used to expand the availability of child care subsidies in licensed child care programs.

There is a financial consideration when the Best Start Initiative ends in March 2010. It is not known at this time if 100% funding will continue, be terminated, or be subject to the usual 80:20 cost sharing. If the usual 80:20 cost sharing occurs, the Region could be required to contribute up to \$320,000 (20% of \$1.6 million) in order to continue to provide fee subsidies for the additional 166 spaces. On September 21, 2006, Council approved a mitigation strategy with the adoption of Clause No. 3 of Report No. 6 of the Community Services and Housing Committee, which is intended to minimize the tax levy impact of future cost sharing or changes to the provincial funding associated with this program and minimize the impact to families during any future transition to reduced service levels.

#### **6. LOCAL MUNICIPAL IMPACT**

##### **Additional funding benefits all municipalities and supports families**

Child care fee assistance is primarily a support to employment and an economic development tool. All municipalities benefit as we will be providing additional child care fee assistance in all local municipalities to increase access to affordable child care to families on the waitlist for child care fee assistance.

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, licensed child care is essential to support families and allow parents across the local municipalities in York Region to participate in the workforce and consequently, support York Region's economic prosperity. Local municipalities and local businesses benefit from a stable, expanded, quality child care system that supports families.

## **7. CONCLUSION**

The percentage of all licensed spaces, for which provincial subsidy is available, decreased from 17% to 11.3% between 1999 and 2006 while the growth in child population averaged 2.8% per year between 2001 and 2006. The waitlist for child care fee assistance has increased by over 1,500 children from 1,921 in December 2006 to 3,500 in June 2008.

This increase in Best Start funding for child care fee subsidy provides York Region with a limited opportunity to address the waitlist for child care fee assistance and support families in accessing affordable, quality child care.

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

The Senior Management Group has reviewed this report.