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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 28, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve an increase in gross expenditures in 2007 of up to \$1.5 million in the Best Start Initiative, offset by 100% provincial subsidy of \$1.5 million with no change to the 2007 budgeted net tax levy expenditure.
2. The 2008 Budget include an increase of \$2.0 million in Best Start expenditures, offset by 100% provincial subsidy of \$2.0 million with no increase to net tax levy expenditures.

2. PURPOSE

This report requests Regional Council to approve an annual \$2.0 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 more Best Start funding

The Province has increased its level of Best Start funding to York Region effective April 1, 2007. This increase is in addition to the increase that was previously approved by Council in June 2007 through Clause No. 2 of Report No. 6 of the Community Services and Housing Committee.

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/wage improvement.

4. ANALYSIS AND OPTIONS

New Best Start funding will go to our child care priorities

The Province has directed that the increase in Best Start funding be used for program funding with \$1.7 million dedicated to wage improvement.

We can begin to address top priorities identified in *Child Care Matters—the Child Care Service Plan for York Region*, adopted by Council on September 22, 2005 through Clause No. 1 of Report No. 6 of the Community Services and Housing Committee, and through community consultation. These priorities include:

- Program funding of \$0.3 million to increase the number of child care fee assisted spaces by 34, from 2,981 to 3,015.
- Best Start Wage Improvement funds of \$1.7 million to enhance the salaries of program staff working in licensed child care programs.

5. FINANCIAL IMPLICATIONS

100% provincial subsidy means no impact on tax levy

Effective April 1, 2007, York Region will receive an additional increase in annual funding of \$2.0 million resulting in a pro-rated allocation of \$1.5 million in 2007 with no impact to tax levy. The increase in funding will be used to increase availability of child care subsidies and improve wages for program staff in licensed child care programs. 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 Best Start Initiative ends in March 2010. 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 the establishment of a deferred revenue account as a mitigation strategy. This account is intended to minimize the tax levy impact of future cost sharing or provincial funding changes and to minimize the impact to families during any future transition to reduced service levels.

6. LOCAL MUNICIPAL IMPACT

New funding benefits all municipalities

Municipalities benefit as we will be providing additional child care fee assistance and wage subsidy/wage improvement funding in all local municipalities.

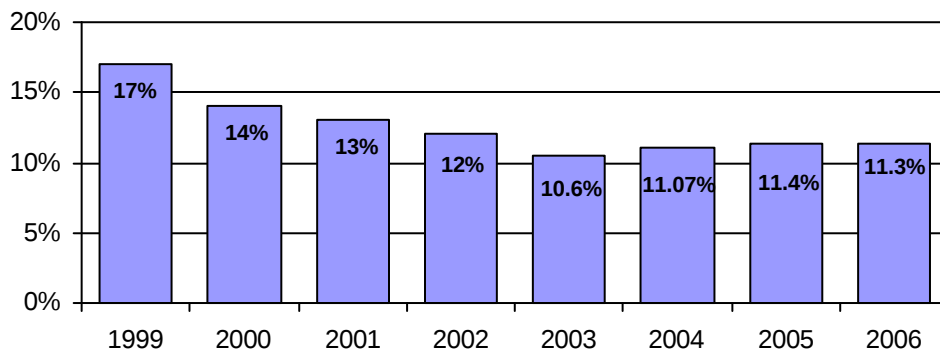
According to York Region's Economic Strategy, a skilled workforce is one of the key drivers to retain the Region's competitiveness, attract investment and ensure future economic development. Access to quality child care is essential to allow parents across

York Region to participate in the workforce and support York Region's economic prosperity. Local municipalities and local businesses benefit from a stable, expanded, quality child care system.

7. CONCLUSION

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. 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.

Subsidized Spaces as a Percentage of all Licensed Spaces



The increase in Best Start funding provides York Region with a limited opportunity to address the wait list for child care fee assistance and to provide wage improvement funding for program staff in licensed child care centres.

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.