

Clause 16 in Report No. 4 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 24, 2016.

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Update on Children's Services System and New Provincial Funding Allocations for 2016

Committee of the Whole recommends adoption of the following recommendations contained in the report dated February 18, 2016 from the Commissioner of Community and Health Services:

1. Council authorize additional gross expenditures of up to \$12,217,872 in 2016 for child care and early intervention programs offset by an increase in 100% ongoing base provincial funding from the Ministry of Education with no tax levy impact.
2. The Commissioner of Community and Health Services be authorized to execute agreements for the provision of services in child care and early intervention programs subject to review by Legal Services.

Report dated February 18, 2016 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize additional gross expenditures of up to \$12,217,872 in 2016 for child care and early intervention programs offset by an increase in 100% ongoing base provincial funding from the Ministry of Education with no tax levy impact.
2. The Commissioner of Community and Health Services be authorized to execute agreements for the provision of services in child care and early intervention programs subject to review by Legal Services.

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2. Purpose

This report recommends that Council accept new 100% provincial funding to address service demands, build system capacity and allow for the implementation of new system changes for the child care sector. It also provides information on service enhancements for children with special needs in licensed child care programs.

3. Background

The Region continues to receive new provincial funding to increase service levels and improve child care environments

The early learning and child care system has undergone major reforms including the introduction of a new funding formula and framework for child care in 2013. This framework provided municipalities with increased flexibility and responsibility to direct funding to respond to local community needs.

Since January 2013, new 100% provincial funding has helped to decrease the waitlist for child care fee assistance by 60% and the waitlist for Early Intervention Services by 49%

Effective January 2013, the Region has received \$28.2 million in new 100% ongoing provincial funding for child care. New funding and expenditure flexibility has resulted in increased service levels, decreased waitlists and increased support to build the capacity of the licensed child care sector. Since December 2012, the waitlist for child care fee assistance went from 5,669 to 2,255 in December 2015. Service level increases and waitlist decreases have also occurred in Early Intervention Services which provides services to children with special needs. Since December 2012, the waitlist went from 331 to 169 in December 2015.

Support to build the capacity of the licensed child care sector has included increased investments in child care programs to enhance the provision of safe, nurturing, high quality environments that benefit all families and comply with provincial legislative requirements.

The provincial government has continued to invest in child care reform and new regulatory changes continue to modernize the licensed child care system

The *Child Care and Early Years Act, 2014* was proclaimed on August 31, 2015. This Act repealed and replaced the *Day Nurseries Act*. The first phase of this

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new legislation improved and increased Ministry oversight in both the licensed and unlicensed child care sector. In 2016, it is anticipated there will be regulatory changes to licensed child care operations such as updated staff/child ratios as well as an even more expanded role for municipalities as the Child Care Service System Manager. This will provide opportunities for the Region to lead, plan and influence system change in the early learning sector now and in the future.

York Region's model of Early Intervention Services has been redesigned to fit seamlessly with the provincial funding framework and direction

Early Intervention Services provides a variety of supports and services to children under six years of age with special needs, and their families. Historically these supports and services have been funded by the Ministry of Education, Ministry of Children and Youth Services and Regional Tax Levy. York Region's Early Intervention Services provided service for families both at home and in licensed child care programs.

Under the new funding model and framework, the Ministry of Education has directed that their funding be used to support children with special needs in the licensed child care sector only. Because this approach has some limitations in supporting medically fragile children and children with special needs in areas that have limited access to child care, a hybrid model was developed in York Region. The hybrid takes advantage of York Region's flexibility when using existing Regional dollars. Early Intervention Services will be redesigned into two separate streams. One stream will provide services in licensed child care and a second smaller stream will provide services in the home. Changes will be implemented over the next two to three years.

This redesign will ensure support for all children, not just the ones able to access a licensed child care centre. Additionally it will expand supports in licensed child care, expand the inclusiveness of centres and support successful transition to school. While not specifically required by the *Accessibility for Ontarians with Disabilities Act*, this initiative also meets the intent of the Act and demonstrates York Region's commitment to making our services and programs accessible.

4. Analysis and Options

York Region continues to use funding and provincial flexibility to manage child care and early intervention services waitlists and build system capacity

As of December 2015, there were, on average per month, approximately 5,808 children receiving fee assistance and 2,255 children on the waitlist for child care

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fee assistance. Of the children on the waitlist, approximately 56% do not have an immediate need for child care fee assistance but have an identified need within the next 12 months.

Similarly, increased access to child care for low and moderate income families has resulted in York Region's lowest income families being able to pursue employment and/or education and move towards becoming economically self-sufficient. In 2015, eligible families with an annual income of \$36,000 or less were on the waitlist for less than six months.

Although there has been a significant decrease in the child care fee assistance waitlist since 2012, as York Region's growth and needs expand, this trend is showing signs of changing. In 2015, the waitlist for child care fee assistance increased by 451 children between August and December, with the most significant increase occurring between August and October.

New provincial funding has had positive impacts for families with children with special needs. As of December 2015, Early Intervention Services served 3,029 children with 169 children on the waitlist. While the wait list for support for the Early Intervention Services program decreased from 2012 to 2015, demand for service has increased by 28% since December 2014.

As of December 2015, there were 538 licensed child care sites in York Region. Of these sites, 53% have some level of support from Early Intervention Services and 89% have a contractual agreement with the Region to provide access to families approved for fee assistance and/or receive funding to enhance the licensed child care environment.

In 2015, York Region invested provincial funding to improve the quality of early learning programs and help operators comply with new regulations

In 2015, York Region supported licensed child care operators to improve the quality of early learning programs and early learning environments through a variety of initiatives. Four hundred and ten licensed child care sites were flowed Ministry funding to purchase toys and equipment and 130 licensed child care sites received funding to make repairs to promote healthy, safe environments that are compliant with the *Child Care and Early Years Act, 2014* legislation.

In 2015, York Region provided 33 free professional development training sessions and 371 licensed child care operators received funding for upgraded CPR and First Aid training as required by the new legislation.

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In 2015, York Region distributed \$7.56 million in 100% provincial funding for wage enhancement

In January 2015, the Ministry of Education announced a new Child Care Wage Enhancement Initiative, for increasing staff salaries in the licensed child care and home child care sector. The Region managed the application process from May 1 – June 30, 2015. All licensed child care programs and licensed home child care agencies were eligible to apply. Four hundred and seventy-five licensed child care sites were approved to receive this new funding. As of December 2015, York Region has distributed \$7,564,795 to approved child care operators.

In January 2016, the Ministry of Education released new 2016 Wage Enhancement Guidelines.

The Province has increased funding so that effective January 1, 2016, salaries for staff in licensed child care centres increased by \$2 per hour and in licensed home child care agencies, provider payments increased by \$20 per day. This increase is double the amount provided in 2015.

York Region has been allocated \$19,082,950 for the 2016 Wage Enhancement initiative with the commitment from the Province, that additional funding will be provided, should approvals exceed this initial allocation.

In 2016, York Region has been allocated \$13.2 million more in 100% provincial funding over 2015 levels

For 2016, York Region has been allocated a total of \$96,015,677 in provincial funding.

The newest provincial funding of 13.2 million will continue to support current service levels through 2016, increase operator capacity and help to minimize wait times for new families that apply. Although there has been a significant increase in provincial funding again in 2016, 72% of this funding increase (\$9.5 million) is specifically intended to support the enhancement of salaries in licensed child care.

In order to continue to support stability, strengthen the early learning system and ensure affordable program options are available for families, staff will allocate funding as follows:

1. Expanding access to fee subsidy to limit growth of or reduce the waitlist
2. Expanding investment to support access to early intervention support and/or enhanced funding support for families of children with special needs.
3. Expanding funding allocations to licensed child care operators to support operating costs including: staff salaries and benefits; toys and equipment;

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repairs and maintenance; professional development training; and wage enhancement grants in order to keep licensed child care affordable for all residents of York Region.

Link to key Council-approved plans

Child Care and Early Intervention Service programs contribute to the 2015 – 2019 Corporate Strategic Plan through supporting the strategic priority area of Supporting Community Health and Well-Being, by specifically contributing to “Strengthening the Region’s network of human services to support people in achieving their potential”.

5. Financial Implications

Effective January 1, 2016, York Region has been allocated an additional \$13,217,872 million of 100% provincial child care funding to be used towards maintaining and increasing child care fee subsidies, early intervention services, wage enhancement, supporting general operating costs and administration. Table 1 shows funding details by funding allocations.

Table 1
2016 Ministry of Education Funding Allocation

	2015 Allocation	2016 Increase	Total 2016 Allocation
Child Care and Early Intervention Programs	\$73,256,330	\$ 2,722,250*	\$75,978,580
Wage Enhancement	9,541,475	9,541,475	19,082,950
Wage Enhancement Administration	0	954,147	954,147
Sub-Total	\$82,797,805	\$13,217,872	\$96,015,677
One Time Grant	954,147	0	0
Total	\$83,751,952	\$13,217,872*	\$96,015,677*

* The 2016 CHS Budget included an increase of \$1 million

As the Region had already anticipated an increase in the provincial allocation, a \$1 million increase in the 2016 budget for Child Care and Early Intervention Programs has already been included and therefore the increase requested now is only \$12,217,872. This increase in gross expenditures will be offset by 100%

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ongoing base provincial funding from the Ministry of Education, with no tax levy impact.

6. Local Municipal Impact

The modernization of the child care system in Ontario, York Region's strategies, and investments by the provincial government continue to move the Region toward a system of responsive and high quality programs and services. These changes continue to have positive benefits for children and families in all local municipalities.

7. Conclusion

The population in York Region continues to grow. More specifically, as the child and low income populations continue to grow, it will be critical to maintain access to supports so families can achieve economic independence and reach their potential. Through ongoing investment in the early learning sector including program development, quality environments and quality staff, a stable and strong system of supports and services is being created for all families in York Region.

For more information on this report, please contact Cordelia Abankwa, General Manager, Social Services at Extension 72150.

The Senior Management Group has reviewed this report.

February 18, 2016

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Accessible formats or communication supports are available upon request