



Report To:	Program Planning Committee
From:	Suzanne Malette, Children's Programs Supervisor
Date:	September 22, 2010
Re:	Child Care Fee Increase for Centre-Based Providers

RECOMMENDATION

1. THAT the Manitoulin-Sudbury DSB accepts the Child Care Fee Increase changes to Appendix C as related to Policy No F.5.2. of the revised Child Care Policy Manual.
2. THAT the Board acknowledges its awareness of the changes being made to the (Administrative) Procedures of those Children's Services Policies identified in the document mentioned above.

REPORT

Purpose

On June 15, 2009, Dr. Pascal presented his report, "With Our Best Future in Mind: Implementing Early Learning in Ontario". The report contained a number of recommendations including how to introduce full-day learning to Ontario students.

As part of Dr Pascal's recommendations, on October 27, 2009 Premier McGuinty announced Ontario's plan to move ahead with the extended full-day early-learning program for four- and five-year-olds starting September 2010.

Due to the implementation of the Extended Day Early Learning Kindergarten Program (ELKP) Child Care Providers will no longer offer care for children ages 3.8 to 12. The Ministry of Community and Youth Services (MCYS) has conducted an Impact Analysis in order to determine what will be the impact of ELKP on our local child care system. The Manitoulin-Sudbury DSB is working closely with the Child Care Providers in finding solutions to mitigate the impacts of ELKP on their child care. Over the summer Childcare Providers held a few meetings in an effort to come up with suitable solutions to ensure the future viability of their programs. Most Providers decided to introduce an

Infant/Toddler program in their Child Care Centres. It is their hope that by bringing children in during infancy, they will be able to fill their toddler program and preschool program as they grow. Another solution they looked at and presented to the DSB was a fee increase starting September 2010.

The purpose of this report is to:

- Advise the Board how the adoption of the fee increase for Centre-Based Child Care will help maintain their viability
- Increase the Direct Fee Subsidy dollars to the centres where current market rates may not be in line with other areas
- Provide the DSB Board with an understanding of why the fee increase is necessary at this period in time with the introduction of the ELKP in schools in September 2010.

Background

As a result of the MCYS Early Learning Program – Second Stage Child Care Site Impact Analysis it was determined that the Child Care Centres will be losing revenue with the introduction of the ELKP. The actual cost of running a program for children 0 – 4 is considerably higher than what the Providers are presently charging. They have always been able to offset the costs of expenses with the older age groups. In compliance with the Day Nurseries Act the child/staff ratios are much higher with the younger groups therefore resulting in having to hire more staff. As of September 2010 the Child Care Providers will no longer be able to rely on the older age groups since they will now be attending the ELKP in schools. Because of this the Providers have been looking into charging a fee closer to the actual cost in order to maintain their viability.

Objectives

According to the Child Care Providers it is expected that charging a fee closer to the actual cost will help them maintain their viability in the long run. By introducing infant programs in their centres Providers feel that they may be able to reach people who would normally be drawn to home child care, as there would be another option for infants and their siblings. By bringing children in their child care during infancy, they will be able to fill their toddler program and preschool program as they grow.

Funding Parameters

- All Child Care Providers changing to the new rate increase as of September 1, 2010 have agreed to sign off on a 5-year plan to make their centre compliant with the new rates. This means that all Full Fee paying parents will have a period of 5 years to reach the new rate scale.
- Individual Providers have presented the plan to their respective Boards over the summer.
- The proposed fee increase rates have been calculated based on the forecasted child care budget and the higher per diem rate is well within the existing Child Care budget.

- A completed analysis indicates an increase of approximately \$259,116.00 would be added to the budget to cover child care subsidy with the new fee increase.
- In April 2010 the Province of Ontario committed \$63.5 million in permanent provincial funding for child care to fill the gap left by the federal governments when they cancelled the Canada/Ontario Early Learning and Child Care Agreement. This provincial announcement resulted in a re-instatement of \$381,360 annually for this DSB ([MCYS Funding Letter](#)). Based on this additional permanent ongoing 100% provincial funding, the increased Child Care fee proposed can be managed within the DSB's current budget.
- The proposed fee increase rates still include the Kindergarten and school age fees as it will take up to 5 years for the ELKP to be fully implemented therefore some Child Care Providers may have the option of still offering school age programming until 2015.

Conclusion

Supporting the licensed centres with the proposed increased rates will reassure the Providers that their funding for fee subsidy will be adequate to help them maintain their viability even though they will be losing the older children to the ELKP. School Boards are presently working with the Providers in giving them more space to be able to open an Infant/Toddler programs.

Appendix C Standardized Rates and Care Codes Centre-Based Programs

Actual January 2010 DSB fees

Rates	Overnight	Ext. Day	Full Day	Half Day	less than
Age Group [hours of care]	[+12]	[9-12]	[6-9]	[4-6]	4 hours
Infant	54.50	46.50	37.00	27.50	15.50
Toddler	53.50	41.50	33.50	22.00	15.50
Preschool	52.50	38.50	31.50	19.50	15.00
Kindergarten	52.50	38.50	31.50	19.50	15.00
School Age	52.50	37.50	30.50	18.50	15.00

Proposed September 2010 fees with increase

Rates	Overnight	Ext. Day	Full Day	Half Day	less than
Age Group [hours of care]	[+12]	[9-12]	[6-9]	[4-6]	4 hours
Infant	60.00	55.50	50.00	37.00	15.50
Toddler	53.50	45.00	40.00	30.00	20.00
Preschool	52.50	40.00	35.00	25.00	18.00
Kindergarten	52.50	38.50	35.00	25.00	20.00
School Age	52.50	38.50	35.00	25.00	20.00