Council Direction:

At its meeting of October 29, 2008, Council approved Item 11 of the Emergency and Community Services Committee Report 08-013 (Report ECS08050, Child Care Fee Subsidy Program Caseload Management), which recommended the following:

(a) That Council correspond with the Prime Minister of Canada, the Minister of Human Resources and Social Development and the Premier of Ontario and the Minister of Children and Youth Services, urging them to work together to fund child care at a level necessary to support the City of Hamilton's population of children, zero to 12 years of age.

(b) That staff be directed to review the implications, outlined in the Alternatives for Consideration section of Report ECS08050, and report back to the Emergency and Community Services Committee.

Information:

In June 2008, a waitlist was implemented for the Child Care Fee Subsidy Program to ensure that program expenditures would remain within the 2008 approved budget.

In the fall, staff Report ECS08050 was presented to Council to:

- Provide an update on the current status of the child care fee subsidy waitlist;
• Provide additional details of the July 9th Provincial fee subsidy funding announcement;
• Identify the impact of the waitlist on families, child care operators, and the Ontario Works Program; and,
• Recommend that Council advocate with the federal and provincial governments for additional Provincial funds to support the ongoing increase in the demand for child care fee subsidies.

Council directed staff to further review the implications outlined in the Alternatives for Consideration section and report back to the Emergency and Community Services Committee. The alternatives outlined in Report ECS08050 were as follows:

Council could consider applying 100% net levy funds to address the current waitlist pending receipt of further provincial funding to address this pressure. The estimated maximum annualized cost of providing fee subsidies to all applicants currently on the waitlist (as of September 30th) could be up to $6,000,000. This alternative is not recommended by staff since:

(a) There is no indication from the Province that additional Provincial funds will be forthcoming in 2009 to address the ongoing fee subsidy pressure; and,

(b) Eliminating the current waitlist will not address the ongoing increase in demand for fee subsidies.

Council could also consider applying the Best Start Reserve funds to address the current and future fee subsidy pressures. The reserve was established in 2007 (Best Start Initiative Reserve, Report ECS07055). Staff are not recommending this as a sustainable solution since the funding is one-time/not annualized, and if utilized for this purpose would perhaps create a short-term solution that in turn would become a larger long-term sustainability challenge. Further, if these funds were allocated to this purpose, other sustainability issues within the broad Best Start initiative could not be addressed, such as the need to offset Provincial shortfalls in the cost sharing of the City of Hamilton’s Best Start and Child Care administrative costs and the annual work plans of the Best Start Network.

Staff have reviewed the alternatives set out in the original report and can provide the following updated information regarding implications and further mitigating factors related to the Child Care Fee Subsidy Program waitlist:

• No further information from the Province has yet been forthcoming regarding the 2009 Child Care Budget. It should be noted that the Province will be tabling its budget on March 26th. Further, the City’s annual child care budget submission/request to the Province is due April 19th. It is not anticipated that any further information regarding provincial child care funding will be available until after these dates.
• It will be important to carefully monitor the Provincial Budget with respect to the Province’s ongoing commitment to the funding of the Best Start Initiative (100% provincial funding) beyond March 31, 2010. The recent (2006, 2007 and 2008) increases to the Child Care Fee Subsidy program have been funded through Best Start. That funding was originally secured through a bi-lateral agreement negotiated by the federal and provincial governments. The agreement was cancelled by the federal government in early 2006. Since that time, the Province has continued to distribute the final year of the funding (2006) to Municipalities at a reduced rate in order to continue to support the gains made since the introduction of the initiative. Thus far, however, the Province has been silent with respect to its plans about sustaining the initiative beyond March 2010. Advocacy efforts by the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA) have been developed and implemented to address this issue.

• During the previous Provincial election campaign the Liberal Party committed to introduce a full-day of learning for four and five year old children across the Province. To that end, Dr. Charles Pascal has been appointed Special Advisor to the Premier, charged with developing the framework to implement this policy directive. Dr. Pascal’s report is due to be delivered to the Premier some time this spring. While the report has not yet been released, it is commonly believed that the outcome of the report will have an impact on the current child care system, including the provision of fee subsidies within the system.

Staff will continue to monitor Provincial policy and budget decisions over the upcoming months and provide further updates to Council as information becomes available.

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Joe-Anne Priel,
General Manager
Community Services Department