



REPORT TO: Co-Chairs and Members of Public Health and Social Services Committee

SUBJECT: Children's Services 2008 Year End Report

RECOMMENDATION

That this Committee recommend to Regional Council that this report be received for information.

EXECUTIVE SUMMARY

- Services were provided through 81 Service Providers at 174 child care sites offering 8,058 licensed spaces (178 infant, 735 toddler, 2,823 preschool, 1,352 JKSK, 2,970 school age) in 2008.
- More than 60,000 children and adults were supported with child care, recreation, cultural and early years resource services.
- The waiting list for subsidized child care was 197 children at the end of 2008.
- The addition of \$540,375 of new Best Start funding in 2008 brings the total annual investment to \$6,029,036 under the Best Start program that has not only expanded 188 child care spaces in Niagara, but kept expenditures on target.
- 100% of staff in 146 licensed child care centres voluntarily participated in Quality Child Care Niagara. For the first time, training was extended to Home Child Care caregivers.

FINANCIAL IMPLICATIONS

There are no financial implications directly associated with this report.

PURPOSE

This report provides Committee and Council with a summary of key program and financial information pertaining to services funded and operated by Children's Services from January 1 to December 31, 2008. Children's Services supports Council's Strategic Objectives of "A Responsive Region" and "Community and Social Well-Being".

BACKGROUND

Children's Services has responsibility for overseeing and managing five key areas:

1. Plan and manage the child care system of Niagara.
2. Manage fee subsidies for children from birth to twelve years of age requiring child care.
3. Manage special needs supports for children from birth to twelve years of age
4. Manage and distribute wage subsidies to support those working in licensed child care.
5. Manage resource centres providing services to unique populations such as Francophone and Aboriginal.

Children's Services continues to focus on three key priorities based on community and staff input: Stability of the System of Services, Quality Enhancements and Partnerships.

REPORT

Child care has become an increasingly important element of today's society. Its economic investment contributes to workforce participation, but perhaps equally or more importantly, it is the early learning foundation provided for children in high quality child care settings.

Niagara has experienced expansion in the licensed child care system with a total of 8,058 available licensed spaces at the end of 2008 across all twelve municipalities, a net increase of 188 spaces in the past year (see Appendix I for map of licensed child care centres and Family Resource Centre locations in the Niagara region). Services are offered through licensed centre based and home based programs. Children's Services supports the licensed child care system in the following ways:

- Fee subsidy to assist eligible families (see Appendix I)
- Wage subsidies to increase staff wages and as a means to keep affordable parent rates;
- Resource Teacher supports for children with special needs in licensed child care;
- Capital funding for expansion or renovations of child care facilities; and
- Funding for child care and resource centres to meet health and safety requirements.

Expenditure Overview

As noted in previous committee reports and budget submissions, Children's Services had a historical shortfall in annualized funding, offset in the past through Regional dollars, National Child Benefit (NCB) savings, Learning Earning &

Parenting (LEAP) transfers, and in the past two years through Provincial Best Start funding (see Appendix II for Best Start definition).

In 2008, cost sharing formulas were maintained between the Province and the Region. Administrative costs for 2008 totaled \$1,679,051 which was offset by Provincial Best Start funding of \$345,427. Children's Services cost sharing with the Province includes varying formulas, depending on funding line. Program funding is cost shared 80% provincial, 20% regional (for fee subsidy, wage subsidy, special needs, and resource centres). Administration is cost shared 50% provincial and 50% regional, while Best Start is 100% provincially funded across all funding lines.

Prior to the introduction of Best Start funding, Children's Services' historical shortfalls resulted in the actual cost sharing with the Province falling to less than agreed upon formula. Best Start funding provided much needed revenue in all funding lines to restore the agreed upon cost sharing; however, should Best Start funding not extend beyond March 2010, significant impact to all programs and the service system is anticipated. Additionally, as Children's Services decreases its reliance on NCB due to its phased out discontinuance by 2012 as a source of revenue, all expenditures will need to be closely monitored.

Children's Services expenditures between of January 1 to December 31, 2008

Gross Expenditures (\$)

January 1 - December 31, 2008

	2008 Budget	2008 Actual	Variance	% Expended
Administration	1,211,242	1,333,624	(122,382)	110.1%
Fee Subsidy	16,536,099	14,436,672	2,099,427	87.3%
Special Needs	2,291,764	2,262,593	29,171	98.7%
Resource Centres	796,762	813,164	(16,402)	102.1%
Wage Subsidy	4,889,468	4,841,487	47,981	99.0%
Best Start*	2,632,529	6,029,036	(3,396,507)	229.0%
100% Fee Subsidy	0	433,650	(433,650)	
Health & Safety	0	334,308	(334,308)	
Total Expenditures	28,357,864	30,484,534	(2,126,670)	107.5%
Revenue**	(23,025,856)	(25,233,934)	2,208,078	109.6%
Net Expenditures	5,332,008	5,250,600	81,408	98.5%

*Best Start is 100% provincial funding which is utilized across all funding lines as outlined in the following chart:

**Does not include one time capital and start up dollars

Best Start Expenditures (\$)

January 1 - December 31, 2008

Fee Subsidy	Wage Subsidy	Wage Improvement	Special Needs	Planning	Administration	Total*
3,706,184	929,072	909,216	67,237	71,900	345,427	6,029,036

*Does not include one time capital and start up dollars

New Funding in 2008

In August 2008, the Province announced new funding to support fee subsidies. Niagara's allocation was \$578,200. All funding was provided under Best Start at 100% provincial dollars. As of April 2009, Children's Services is scheduled to receive an allocation of \$773,200 with no impact on the net levy as all new funding will remain 100% subsidized by the Province.

Fee Subsidy

Fee Subsidy accounted for 64% of overall expenditures in 2008. The total number of children supported through Children's Services for fee subsidy in 2008 was 4,571. Of these children, 4,199 received service in the licensed child care system, 2,620 were low income children, 1,018 were children on Ontario Works, 561 were children supported by Best Start funding, with the remaining 372 receiving funding to access unlicensed informal child care (these numbers represent an unduplicated count). At the end of 2008, there were 197 applicants on file being processed for child care fee subsidy.

National Child Benefit

The National Child Benefit (NCB) was established by the federal government in 1997 as a program intended to assist the children of low-income families and to promote attachment to the work force. With few exceptions, Niagara's funding from the NCB has been used to offset the annualized shortfall in child care subsidy. The following breakdown outlines expenditures and clients served.

National Child Benefit Savings				
Expenditures on Child Care and Related Services (\$)				
January 1, 2008 – June 30, 2008				
Program	2008 Total Expenditures	Total # of Clients Served		Total # of Clients Served
		Adults	Children	
Family Supports:				
~ Contingency	155,502	95	107	202
~ Transportation	1,088	7	8	15
Pro-Kids	250,000	*1,178	2,630	3,808
LEAP Program	294,803	76	86	162
OW Child Care	97,625	52	62	114
OW Supplementary Health Benefits	2,416	n/a	n/a	n/a
TOTAL	\$801,434	1,408	2,893	4,301

*note: this represents families served

Children's Services had NCB savings to utilize in 2008, for the last time, due to the benefit being eliminated and transferred to the Ontario Child Benefit after June 30,

2008. In 2008 Children's Services has had to rely less on NCB but the introduction of additional Best Start funding in 2008 provided substitute funding as NCB funds have declined.

Income Testing

Income Testing was introduced in January 2007, shifting eligibility from an income, assets, and budgetary requirements system to a system based on taxation information (See COM 01-2007 and COM 02-2008). The emerging economic downturn that was occurring by the last quarter of 2008 has resulted in an increase in caseload complexity and for some families, a reduced parent fee. Children's Services will continue to monitor this trend throughout 2009.

Family Resource Centres

Children's Services contracts the services of four Niagara agencies that provide unique resource centre programs and services to provide supports to parents and caregivers of children under six years of age. Other similar services called Ontario Early Years Centres are managed by the Province. In the past year, there were 4,419 visits made by parents and caregivers and 6,439 visits were made by children to Family Resource Centres¹. It is important to note that the numbers as reported are duplicated as families and children return for services numerous times and are therefore cumulated over the year. There were 455 unique parent and caregivers served and 711 unique children served by the five centres (unduplicated numbers). A total of 800 parents and caregivers participated in workshops and seminars offered through the Family Resource Centres in Niagara. Expenditures and services remained on target in 2008.

Special Needs

Community agencies² worked collaboratively to provide a range of supports for families across the region in the past year. In total 1,338 children with special needs including behavioral, physical/medical, speech and language, and developmental delays were supported primarily in licensed child care centres by resource teachers through these agencies. These children were supported by 38.92 full time equivalent staff through 8 agencies in Niagara. Children's Services continues to work with the Inclusive Child Care Supports Committee on

¹ Family Resource Centres in Niagara include: Bethlehem Projects of Niagara (Bethlehem Place Early Learning Centre and Brighter Day Resource Centre), St. Catharines; Centre de santé communautaire Hamilton-Niagar Inc. (Coin des Families), and Welland; Fort Erie Native Friendship Centre (Fort Erie Native Friendship Resource Centre) and as of September 2008, Adolescent Family Support Services of Niagara.

² Agencies include Community Living St. Catharines, Community Living Welland-Pelham, Niagara Support Services, Niagara Peninsula Children's Centre, Family and Children's Services (FACS Niagara), Adolescent Family Support Services of Niagara, Niagara Region Children's Services, and Niagara Child and Youth Services.

implementing the Level of Service tool to manage the special needs funding portfolio.

Wage Subsidy/Pay Equity

Wage subsidy and pay equity payments are an important aspect of the child care system which not only ensures wages are in line with educational requirements, but also contributes towards affordability of all parent users by reducing parent fees. Since 2006, a new category entitled "Wage Improvement" was established under Best Start. Children's Services distributed \$1,163 to each full time equivalent Early Childhood Educator (ECE) employed in a licensed child care centre in 2008. This infusion is estimated to have increased ECE wages by \$1.28 per hour to date. It is hoped that allocated funding will be annualized as new wage subsidies under Best Start have not been committed beyond March 2010.

As a result of a 2007 wage subsidy audit conducted by Ministry of Children and Youth Services (MCYS) Children's Services developed a wage subsidy re-allocation strategy to address the historical inequities of the Wage Subsidy program that was transferred from the Province in 1998. A June 2008 preliminary review of the current wage subsidy funding status found 29 agencies were receiving an overpayment and 38 agencies were underpaid. The net shortfall to address the variance and provide funding equity based on the provincial formula was identified as approximately \$400,000 (see COM 12-2009 for details).

A multi-year wage subsidy equalization process was discussed with service providers who are impacted. On July 1, 2009 the re-allocation process will be implemented where monthly cash flow reductions will be made to overpaid service providers and put towards increases to those being underpaid thus allowing the wage subsidy funding inequities to be addressed through a phased-in three year process. The gradual process is intended to not destabilize child care service provider's financial viability.

Quality

Quality Child Care Niagara (QCCN) contains three key training elements:

- Ensuring that the physical environment is organized in such a way that children can learn through play, minimize behavioral issues and support the staff working in the program;
- Maximize opportunities for children to achieve developmental milestones and their potential; and
- To ensure a consistent approach is used in recording information about the child's development in order to better plan for all children.

One of the key elements of QCCN is the developmental screening (DISC Preschool Screen) of all children enrolled in licensed child care programs. Referrals to specialized developmental support agencies have increased as a result of the

trainings resulting in earlier intervention at a critical time in young children's early years.

In the previous year, 146 licensed child care centres voluntarily participated in QCCN where 100% of staff employed in those centres is now trained. For the first time in 2008, training was extended to Home Child Care caregivers. In 2008, a total of 1,035 staff participated in Quality Child Care Niagara which led to:

- 274 classroom Environmental Rating Scales being completed;
- 1,705 children were screened using the Disc Preschool Screen;
- 110 children were screened using the Full Disc Preschool Screen; and
- 284 total referrals, of which 58 were behaviour, 119 were speech and 107 were other (vision, occupational therapy, etc).

To celebrate these accomplishments and move to the next level of Phase 2, Niagara hosted its first ever Quality Child Care conference which took place June 20 – 21, 2008. Keynote presenters were the authors of the developmental tools used for QCCN and provided an opportunity to showcase Niagara's commitment to quality early childhood education and care across Ontario.

Systems Management, Community Development & Planning

Children's Services continues to work with 81 contracted organizations at 174 sites, including the Region's six directly operated programs, on stability and sustainability of operations and quality of services. Children's Services also provided leadership and involvement in over 30 committees in Niagara. In 2008 Children's Services continued to work closely with Early Years Niagara Planning Council (EYNPC) in order to meet the provincial expectation of working towards "one child one plan" through more integrated programming and service provision. Mapping of services and supports has become a standard of practice in Children's Services and is contributing to decisions around location of new, relocated, or expanded child care or early years services. Supports continue to be provided to the Niagara Aboriginal Planning Council and the Niagara Best Start Francophone Advisory Group.

Children's Services demonstrated leadership in a Niagara collaborative, established under the direction of EYNPC, to address the 2010 initiative of full day early learning for 4 and 5 year olds in Ontario. A report produced in June 2008 reflecting a cross-sectoral vision and action plan was forwarded to Early Learning Advisor, Dr. Pascal. Considerable work continues in order to address concerns for the stability of Niagara's child care system due to the potential for significant negative financial impact depending on the strategies proposed by the Province (see COM10-2009 for details).

As input is critical to service improvements, Children's Services provided leadership and support to Niagara Child Care Sector to conduct a Child Care Operator Survey and a Parent Survey. Responses for both surveys have provided information for future planning.

In 2008, more than 2000 children and youth participated in the ProKids program. ProKids is funded and delivered through a partnership between the Niagara Region and the YMCA of Niagara. While ProKids was funded through NCB in 2008, the program will be funded out of the Niagara Region's Prosperity Fund in 2009.

In 2008, Children's Services worked collaboratively with a community advisory committee, Niagara Regional Housing and other community groups at three separate neighbourhood projects aimed at providing a broader range of services in a more integrated and holistic manner. Children's Services were able to creatively utilize the St. Catharines Regional Child Care Centre facility and kitchen staff to cost-effectively supply nutritious snacks to children after school at a Niagara Regional Housing site and at a community centre with funding provided through the Niagara Prosperity projects.

Priorities for 2009

Children's Services will continue its work to manage programs to drive best possible outcomes for children and families and demonstrate community leadership to improve child well-being in Niagara. However, there are challenges ahead: the introduction of full day early learning for 4 and 5 year olds due to be announced this year; Ontario's poverty reduction strategy and Niagara's own Prosperity Projects to address poverty; the potential system destabilization that would occur with the loss of Best Start funding that is due to end March 31, 2010; and the present economic downturn.

Under the priorities of stability, commitment to quality and partnerships, Children's Services will focus on the following in 2009:

- A commitment to stabilizing the system of services in response to the implementation strategies for full day early learning for 4 and 5 year olds expected to start in 2010.
- Implementation of the wage subsidy equalization strategy as part of the annual budget process without destabilization of operators impacted.
- Development of a strategy to stabilize the system of child care in Niagara in response to potential loss of Best Start funding, representing approximately \$6 million dollar funding gap beyond March 2010.
- Work with Social Assistance and Employment Opportunities to identify any alternative funding sources to maintain levels of service for Ontario Works participants in light of the multiple challenges facing the child care system at present and families dealing with the economic downturn.
- Continue work with Niagara Regional Housing and community groups on emerging neighbourhood projects and poverty reduction.
- Through the use of a program audit tool, benchmark and measure desired outcomes including cost of service provision and quality of services.

- Enhance expertise in providing evidence-based data to support neighbourhood approaches in support of child well-being and coordination of investment.
- Alignment of Quality Child Care Niagara with the Province's Early Learning Framework (ELF) to further expand the program within Niagara and in response to potential strategies for implementation of full day learning in 2010.
- Improve access to services through innovative approaches including extending the placement of fee subsidy staff into community locations and technology improvements such as the introduction of the online electronic registration system.
- Identify and prioritize business improvements that may streamline business practices, reduce cost, stabilize business partners and enhance customer satisfaction and client services.
- Continue to support the priorities of Niagara Aboriginal Children's Planning Council and the Niagara Best Start Francophone Advisory Committee.

As in previous years, Children's Services is required to submit an annual update of the plan to the Ministry of Children and Youth Services. A 2009 Plan is expected to be due June 30 and Children's Services will work in collaboration with Early Years Niagara Planning Council to develop one plan for submission as was done in 2008.

Children's Services will continue to work with Regional Council, the Province and community to ensure that a range of services and supports are available to families and children from birth to twelve years of age within Niagara, while working within the given financial realities.

Submitted by:

Approved by:

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Appendix I -Breakdown for those receiving fee subsidies and Map of Licensed Child Care Centres and Family Resource Centres in Niagara region.

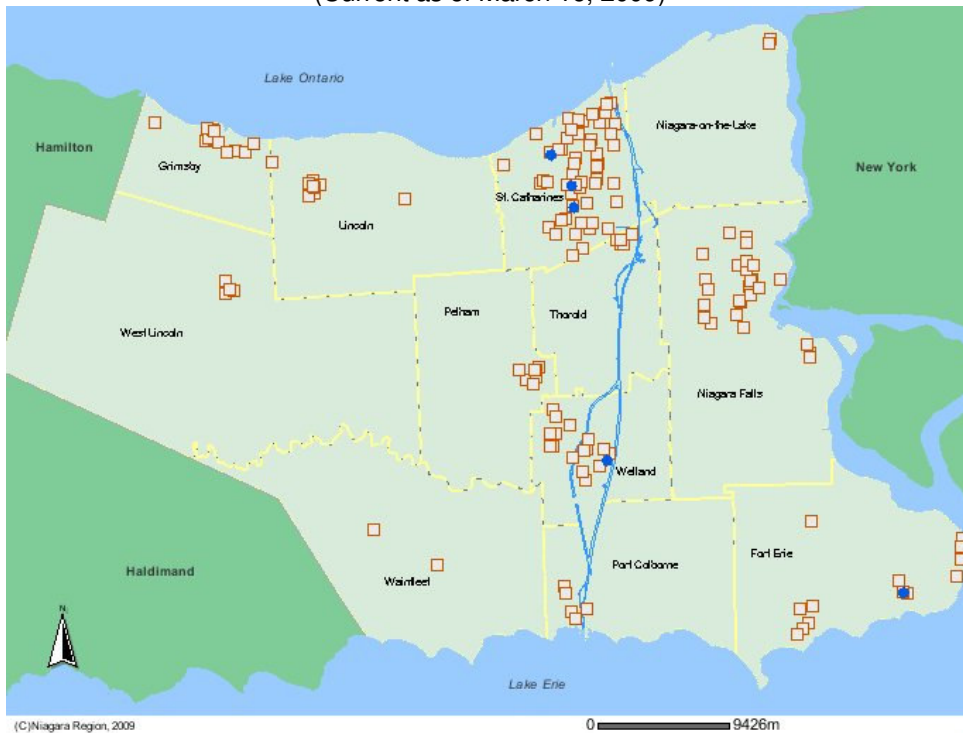
Appendix II- Definition of Services

Appendix I

Placement of Children Receiving a Child Care Fee Subsidy by Municipality
 (from January 2008 up to the period ending December, 2008)

Municipality	<i>Children Serviced (Licensed Care)</i>
FORT ERIE	482
GRIMSBY	57
LINCOLN	52
NIAGARA FALLS	965
NIAGARA-ON-THE -LAKE	12
PELHAM	26
PORT COLBORNE	157
ST. CATHARINES	1,734
THOROLD	162
WAINFLEET	6
WELLAND	512
WEST LINCOLN	34
TOTAL	4,199

Distribution of Licensed Child Care Centres & Resource Centres in Niagara
 (Current as of March 16, 2009)



(C)Niagara Region, 2009

Appendix II

Definitions by Funding Envelope

- Fee Subsidy Subsidized child care for families “in need”.
- Family Resource Centres Community programs that provide supports to parents/caregivers and children.
- Special Needs Supports to children with special needs within licensed child care programs.
- Wage Subsidy Funding to maintain staffing stability in licensed child care settings.
- National Child Benefit (NCB) A jointly designed initiative by the Federal and Provincial governments to provide financial support to low income families. NCB funding is a fluctuating funding source and is not to be considered a sustainable source of revenue. Key objectives include:
 - prevent and reduce the depth of child poverty,
 - provide attachment to the workforce resulting in fewer families relying on social assistance, and
 - reduce duplication of services
 - Municipalities determine an annual allocation based on local social assistance caseloads.
- Best Start Introduced in 2005 as long term Provincial strategy designed for children from birth to 5 years of age to reach their full potential through the integration of programs and services. Best Start was designed in two phases with the first phase (2005-2008) with an emphasis on the expansion of licensed child care in school settings. This initiative is funded with 100% Provincial dollars however, funding was provided over a 5 year time period and is due to end March 31, 2010.