

Clause 12 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 29, 2017.

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New Expansion of the Children's Services System and Increased Funding Allocations from the Province

Committee of the Whole recommends adoption of the following recommendations contained in the report dated June 1, 2017 from the Commissioner of Community and Health Services:

1. Council authorize an additional expenditure of up to \$2,373,516 gross (\$0 net) in 2017 for child care and early intervention programs.
 2. Council authorize an additional expenditure of up to \$9,307,136 gross (\$0 net) in 2017 to implement the new provincially mandated child care expansion plan.
 3. 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 legal review.
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Report dated June 1, 2017 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize an additional expenditure of up to \$2,373,516 gross (\$0 net) in 2017 for child care and early intervention programs.
2. Council authorize an additional expenditure of up to \$9,307,136 gross (\$0 net) in 2017 to implement the new provincially mandated child care expansion plan.
3. 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 legal review.

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2. Purpose

This report recommends that Council accept new 100% provincial funding and associated responsibilities to address current and emerging service demands, expansion plans, and to build system capacity for the child care sector. It also provides information regarding recent service enhancements for children with special needs in York Region's licensed child care programs in response to provincial modernization directions.

3. Background

York Region Social Services key mandate is system planning, design and administration

York Region Social Services is the service system manager for York Region's child care system for children aged 0 to 12 years of age. Its key mandate is service system planning, design and administration, and it operates under provincial legislation and rules established by the Ministry of Education (the "Ministry"). In addition to system-wide planning and design, York Region's role with respect to children's services funded by the Province includes:

- Overseeing and administering a child care fee subsidy program to assist families with low income who are working or pursuing education to afford licensed child care
- Directly providing services for children with special needs, and providing enhanced funding and supports to child care operators serving children with special needs
- Managing and allocating provincial funding to subsidize wages of Registered Early Childhood Educators. This stabilizes staffing and makes licensed child care more affordable for all families
- Facilitating and supporting local planning and capacity building.

The provincial government is responsible for:

- Legislation and regulations
- Licensing and ensuring compliance
- Funding and resourcing

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- Facilitating and supporting the coordination of provincial planning and policies
- Providing information to parents to assist them in understanding child development and improve their ability to evaluate the effectiveness of child care and early years programs and services

The provincial government continues to modernize and grow the licensed child care system

York Region's Social Services is in the midst of provincially mandated multi-year legislative changes and provincial reforms in the areas of Social Assistance, Children's Services and Homelessness/Housing Stability as outlined in the January 2017 report [Legislative Changes and Potential Impact of Provincial Reforms across Social Services](#). This has included increased funding and/or responsibilities for all municipal service managers.

To support changes connected to the children's services sector, since 2013 the Region has received \$31 million in new 100% on-going provincial funding for investment in the child care system. The funding includes special purpose funding which the Region has used to: assist operators to repair and maintain child care sites; purchase play-based materials; enhance professional development for child care staff; and distribute wage enhancement funds.

At its meeting on March 24, 2016, through the [Update on Children's Services System and New Provincial Funding Allocations for 2016](#) report, Council authorized gross expenditures of up to \$12,217,872 in 100% ongoing base provincial funding from the Ministry. This funding is to invest in the second phase of a Regional child care and early intervention program focussed on establishing new regulations in eight areas including further expanding the role of municipalities; changing licencing standards; and removing wait list fees.

Wait lists for child care fee subsidies and early intervention services have significantly decreased

Provincial investments and the new powers as well as flexibility that Social Services has to make decisions that suit regional needs have significantly helped families in York Region. Between December 2012 and December 2016, the Region's waitlist for child care fee assistance decreased by 65% from 5,669 to 1,957. The current waitlist is 1,616, of which 67% (1,082) of these are children waiting for future care (meaning no immediate need for child care placement, but will require it in the next 12 months). Early Intervention Services, which provides services to children with special needs, also continues to see decreases in wait times. Between December 2012 and December 2016 this waitlist decreased by 69%, from 331 to 101.

4. Analysis and Implications

Current Child Care Services

Innovative programming that increased supports for York Region's children with special needs began in 2016

The population of young families with children is growing and there continues to be an increasing need for child care and early intervention services. York Region continues to respond in innovative ways to rapidly growing local community needs. For example, to respond to provincial direction to separate services funded by the Ministry of Children and Youth Services from services funded by the Ministry of Education, while ensuring that York Region's rural and medically fragile children were supported, in 2015 Early Intervention Services was redesigned into two streams:

- Infant and Child Development Services provides support for children with special needs from birth to school entry who are not enrolled in a licensed child care.
- Inclusion Support Services provides support for children with special needs from birth to 13 years of age, who are in licensed child care and approved recreation programs.

This redesign was deliberately positioned to allow for Inclusion Support Services to expand the supports provided in licensed child care settings, and to expand the inclusiveness of child care in York Region. Children are now able to be screened by Early Interventionists in their child care program and have individual program plans developed if needed. Early Interventionists are also now able to train Early Childhood Educators on techniques and methods that allow children with special needs to be more integrated into child care programs.

2016 was the first complete year in which Early Intervention Services operated in two streams. During this time, the total number of children receiving services increased by 15%, from 3,029 children in 2015 to 3,482 in 2016.

The most significant achievement for families, however, was that with the redesign of Early Intervention Services, Inclusion Support Services was able to enhance services provided to licensed child care programs. In 2015, a total of 208 child care centres received support from Inclusion Support Services. In 2016, that number rose by 58% to 328 child care centres. These supports included modelling inclusion and/or behaviour strategies for child care staff, training and education for child care staff, screening children for eligibility for Inclusion Support Services and providing feedback to parents and staff on their progress in supporting children.

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There is no wait time for child care fee assistance for families with incomes under \$36,000

In December 2016, there were (on average) approximately 6,400 children receiving fee assistance. Current funding levels and York Region's service model have allowed for families who are the most in need – those with incomes below \$36,000 annually - to receive assistance with no wait time. In the future, wait times may increase depending on population growth and future funding allocations.

York Region continues to build capacity in the child care sector

Increasing the capacity of community partners to enhance quality, manage operations and support parents is a strategy the Region has adopted to support Regional service management and delivery. York Region has been providing special purpose funding to support licensed child care operators to improve the quality of early learning programs in three main areas:

- In 2016, York Region provided 32 free professional development training sessions, with 2,190 people in attendance. Additionally 368 programs received funding to support on-site professional development.
- A total of 441 licensed child care sites were funded to purchase toys and equipment.
- To assist licensed child care centres with repairs and to promote healthy environments, 127 received funding to ensure compliance with the *Child Care and Early Years Act, 2014* legislation.
- Inclusion Support Services purchased a total of 618 pieces of specialized equipment which was distributed to licensed early learning and child care programs. The equipment supports the inclusion of children with special needs.

York Region continues to administer wage enhancements to help operators attract and keep the best Registered Early Childhood Educators possible and has improved the funding process

In 2015, the Ministry announced a new Child Care Wage Enhancement Initiative to increase staff salaries in the licensed child care and home child care sector by \$1.00 an hour. York Region administered the application process and distributed \$7,564,795 to 461 approved child care operators. In 2016, the Ministry of Education released new guidelines that included a \$2.00 an hour wage enhancement and as a result, York Region administered and distributed \$17,757,764 to 482 licensed child care sites.

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The first two years of wage enhancement administration to operators involved a lengthy paper and manual transfer. Social Services' staff collaborated with York Region's Integrated Business Solutions and Information Technology Services staff to develop an electronic application and processing system. This successful partnership has improved efficiency and reduced processing times, from nine months to five months. In 2016 operators received their first payment in September while in 2017 they received payments in April.

New Provincial Funding Allocations for 2017

The Province has allocated more funding to Child Care and Early Intervention Programs in York Region

Funding is divided into four primary envelopes:

- Base funding
- Expansion funding (new allocation)
- Wage enhancement funding, and wage enhancement administration

Base provincial funding is allocated primarily to provide fee assistance to families who qualify using a provincial income test, to provide Inclusion Support Services, and for special purpose funding. In 2017, York Region has been allocated \$1,638,926 more in 100% provincial base funding over 2016 levels for Child Care and Early Intervention Programs. This brings the total base funding to \$77,617,506.

The additional provincial allocation will allow the Region to continue to support current service levels through 2017, increase operator capacity and help minimize wait times for new families that apply for fee assistance. This funding will also allow for the continued support of operators to offset the cost of repairs and maintenance and to develop a sustainable capacity-building strategy.

The Province has allocated new funding to municipalities for the expansion of Ontario's Child Care system - intended to help 100,000 more children aged 0-4 years access child care over the next five years

In September 2016, the Ministry announced a major Child Care Expansion Plan ("Expansion Plan"). The Expansion Plan is intended to create access to licensed child care for 100,000 more children aged 0-4 years old across Ontario over the next five years.

In 2017, York Region has been allocated \$9,307,136 in new 100% provincial Expansion Plan funding. This funding must be spent on two priority areas, namely supporting additional fee subsidies and increasing access to child care

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for children aged 0-4 years. If these two priorities cannot be met, the funding may be used at this time to broadly reduce licensed child care fees and increase affordability for children aged 0 – 4 years old.

The 2017 allocation must be spent before December 2018 and any unused funds must be returned. Additional Expansion Plan funding will be allocated in 2018 if the 2017 allocation is managed and used per Ministry guidelines.

If the allocation is approved by Council, additional staff, who will be 100% funded by the Province, will be required to expand system capacity and meet provincial targets. This will ensure families are able to receive the financial supports necessary to place their children in child care and to participate in training or employment. As required, permanent staffing approvals will be sought through the 2018 budget process.

The 2017 allocation, which has no tax levy impact, has the potential to support approximately 1,370 children in York Region

Increased funding from the provincial and federal governments to expand Children's Services has been advocated for by municipalities, parents, and other stakeholders.

If Council opts not to receive the new funding, as growth occurs regionally, demand and waitlists for Child Care Services and Inclusion Support Services will grow, and parents will be delayed in entering training or employment.

The Province has allocated 4% more funding for further wage enhancements to Registered Early Childhood Educators

The Ministry has allocated \$19,863,393 to York Region to administer and distribute Wage Enhancement to licensed child care operators. This is an increase of \$780,443 over 2016. As in 2016, \$954,147 has also been allocated by the Province to offset administration costs.

5. Financial Considerations

In 2017, York Region has been allocated an additional \$12,680,652 million of provincial child care funding to be used towards: maintaining and increasing child care subsidies; inclusion support services; wage enhancement; expansion plan; supporting general operating costs; and administration.

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Table 1 shows funding details by funding allocations.

Table 1
2017 Ministry of Education Funding Allocation

	2016 Allocation (\$)	2017 Increase (\$)	% Increase	Total 2017 Allocation (\$)
Child Care and Early Intervention Programs (Base Funding)	75,978,580	1,638,926 *	2.2%	77,617,506
Expansion Plan	0	9,307,136	n/a	9,307,136
Wage Enhancement	19,082,950	780,443	4.1%	19,863,393
Wage Enhancement Administration	954,147 *	954,147	0%	954,147
Total	96,015,677	12,680,652**	13.2%	107,742,182

*Wage Enhancement Administration was expected to be one time funding in 2016 and was not budgeted in 2017. This therefore represents an increase to the approved 2017 budget.

**The Region had anticipated an increase in the provincial allocation of \$1 million, rather than \$12,680,652, which has already been included in the 2017 budget; therefore the total increase requested now is \$11,680,652. This increase in gross expenditures will be offset by 100% provincial funding with no impact to tax levy.

6. Local Municipal Impact

The continued provincial modernization of childcare and the additional funding allocated has come with more flexibility, roles and responsibilities for municipalities. This is very positive and has allowed York Region to develop a service model that takes unique, changing local needs into account, and to continue to create and maintain a system of responsive high quality programs and services that benefit all children and families in all local municipalities who use licensed child care and early intervention services.

7. Conclusion

The population of young families in York Region, including many who are struggling to make ends meet, is growing. In recognition of this the Province is increasing funding for early years. York Region's Children's Services provides subsidies and other supports that make it possible for parents to work or go to school. Ongoing strategic investments in the early learning sector, directed through the Social Services Branch, supports capacity building, training opportunities and funding to create quality environments and increased wages for child care staff. This allows for a stable early learning and child care system for the residents of York Region which will maintain strong communities in the future.

For more information on this report, please contact Cordelia Abankwa, General Manager, Social Services at 1-877-464-9675 Extension 72150.

The Senior Management Group has reviewed this report.

June 1, 2017

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