



Council Report

Report Number: HS2023-012
Meeting Date: December 12, 2023
Title: Access and Inclusion and Child Care Reserve Update
Description: Update and proposed use of Child Care Reserve
Author and Title: Janine Mitchell, Manager Human Services

Recommendation(s):

That Report HS2023-012, **Access and Inclusion and Child Care Reserve Update**, be received; and

That the Child Care Reserve funds in the amount of \$1,322,513.74, be directed to support the Access and Inclusion Directed Growth Plan for the City of Kawartha Lakes and the County of Haliburton; and

That future annual operating budgets will include reserve financing to support the Access and Inclusion Directed Growth Plan program

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

In January 2006 the City received an unconditional grant of \$2,278,000 from the Province to implement the Best Start program. These funds, a portion of which was used to create 101 new child care spaces in 2006, were intended to be used by municipalities to support the local child care system.

At the Council Meeting of June 29, 2010 Council adopted the following resolution:

THAT the remaining Best Start unconditional funds of approximately \$1.58 million allocated to the City of Kawartha Lakes in 2006 be placed in a Children's Services Reserve established for the purpose of addressing pressures and assisting in the implementation of the Early Learning Program and further Children's Services initiatives in the coming years; and

THAT interest earned on the Children's Services Reserve (the Reserve) be credited to the Reserve.

CR2010-843

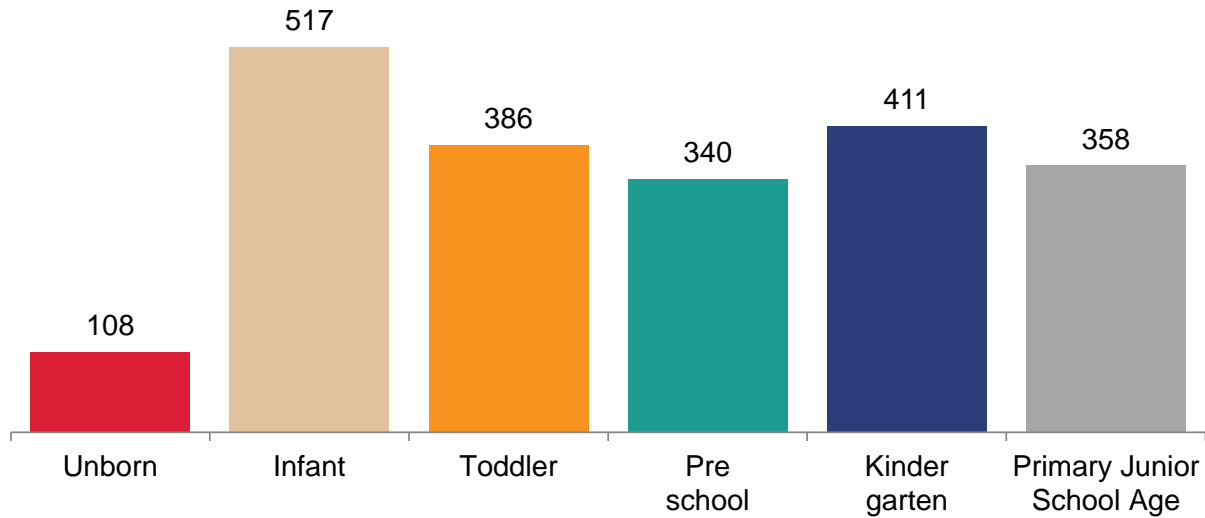
In 2012, 2016, and 2017, allocations from the Children's Services Reserve were accessed with Council approval to support Child Care Service Providers and to support children and families accessing fee subsidy. The current balance of the Reserve is \$1,322,513.74.

At the March 7, 2023 Council meeting, Council received Report HS2023-004, Access and Inclusion Expansion Plan. This report provided information on the City's allocation for the creation of 443 licensed home or centre based child care spaces and the potential to be provided with up to \$7,000 per newly created space to support the purchase of toys and equipment and minor renovations. This plan identified priority communities for expansion. The province now references the Access and Inclusion growth strategy as the "Directed Growth" plan.

City staff developed an implementation plan that included the proposed number of new child care spaces in each age group over the next four years. Currently, 16% of children aged 0 – 12 have access to licensed centre-based child care spaces in the City of Kawartha Lakes (the City) and the County of Haliburton (the County). The increase in expansion will bring our access rate to 19%, still below the provincial average of 24% and the provincial target of 37%.

The Chart below, visually displays the number of children on the waitlist for a licensed child care space in all age groups. Currently, children will have a 5.8 year wait to access a licensed space and many will age-out before they have access to a space.

Child Care Wait List



Rationale:

City staff are looking for support of the re-direction for use of the Child Care Reserves from the Council resolution from 2010. For all Reserve requests, the City's annual operating budget will include financing to support the Access and Inclusion Directed Growth Plan program and/or a report would be brought forward to Council for approval.

City staff reached out to all service providers directly and requested expressions of interest for potential expansion opportunities over the next four years. Staff worked with the school board to identify the potential for expansion in schools that may be able to accommodate an increase to existing spaces or new spaces in schools currently without licensed child care on site.

City staff also worked with the Economic Development Division and reached out to potential landlords and business owners. Discussions ensued to inquire about potential physical locations that could possibly meet the strict regulations for licensed child care and have the potential to complete the necessary minor renovations within the allocated funds to support expansion.

For 2023, City staff are working on the potential for immediate expansion of child care spaces in one centre-based existing program and are supporting the expansion of licensed home child care. Additional projects are planned throughout the next four years.

Funding allocations to support this directed growth are set each year by the province and communicated through our annual funding allocation. Funding is allocated to

support the reduction in the daily child care fees, to support wage and financial compensation for Registered Early Childhood Educators and Program Supervisors, and to support City costs to administer the program. The start-up costs are intended to support the purchase of all toys and equipment and any eligible minor renovation costs to accommodate the new spaces. To support expansion and growth in 2023, the City received the following:

Program Area	2023 Allocation
Fee Reduction and Workforce Compensation	107,382
Administration Allocation – Directed Growth	3,094
Start-Up Grants – Directed Growth	96,849
Grand Total	207,325

The start-up costs provincial formula is up to \$7,000 for each licensed child care space for full-time care and up to \$6,000 for each licensed home child care space created. The province determines the funding provided based on the City’s submitted Directed Growth Plan and the key phrase is that the City may receive “up to” the maximum amount.

There are a number of other factors that impact the ability and speed at which the City can support any submitted growth plans and requests. Any new growth must be operational within the year the funds have been allocated. The start-up funding provided is not sufficient to support the full costs of renovating spaces. The purchase of land or major renovations are not eligible under start-up funding, resulting in the looking for existing physical buildings. The legislative requirements for licensed child care restrict the suitability and availability of some potential existing spaces.

Knowing the current need and pressures for access to licensed child care in the City and County, and knowing there will be an increase in pressure with the addition of 6,500 new homes over the next eight years, City staff want to be prepared to support directed growth applications that align with the overall Directed Growth plan. However, this scope of expansion would exceed our ministry funding allocations for the year or not meet the full start-up funding guidelines (be operational within the year). City staff want to be in the position to say yes to an application for expansion, provide interim funding through the Child Care Reserve, until the funding has been received by the province through our annual allocation.

Other Alternatives Considered:

The only alternative would be to proceed status quo with the process in which the Ministry has outlined within the set funding parameters for eligibility as per the

submitted Directed Growth Plan and annual funding allocations. This is not recommended as the need for licensed child care continues to grow in both the City and County and the length of time on the waitlist will continue to grow. Expansion, given the need, is paramount for families with young children.

Alignment to Strategic Priorities

This plan supports a vibrant and growing economy as part of a support system allowing parents with young children to maintain their employment. Access to licensed child care supports people and businesses in our community.

This plan supports an exceptional quality of life by providing high quality early learning and child care available right in the child's community.

Financial/Operation Impacts:

The Children's Services Reserve was created with 100% provincial funding dedicated to support early learning and care. No municipal funding is required.

Consultations:

Program Supervisor
Treasurer
Financial Coordinator
Data Analysis Coordinator
Early Years System Coordinator
Chief Administrative Officer

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Department Head: Cheryl Faber