



**THUNDER BAY DISTRICT**  
SOCIAL SERVICES ADMINISTRATION BOARD

**THUNDER BAY DISTRICT SOCIAL SERVICES  
ADMINISTRATION BOARD**

**BOARD REPORT**

<b>DATE PREPARED</b>	September 8, 2008	<b>REPORT NO.:</b> 2008-19
<b>MEETING DATE</b>	September 17, 2008	<b>TBDSSAB File No.:</b> 440.03P / 940.00
<b>SUBJECT</b>	Best Start Project - Start-up & Operating Costs for Licensed Child Care Centres	

**REPORT SUMMARY**

Administration is seeking approval of Thunder Bay District Social Services Administration Board (TBDSSAB, the Board) to allocate Best Start funds to meet pressures in Best Start project start-up costs and operating costs for licensed child care centres.

**BACKGROUND**

Attached for the Board's information is a letter from Minister Deb Matthews, Ministry of Children and Youth Services (Attachment #1), indicating that TBDSSAB has received an additional \$277,200 (annual allocation) in Best Start Funding for the year 2008 at 100 provincial funds. TBDSSAB will receive a nine month allocation of \$207,000 for 2008. In addition to the above noted funding, Administration is projecting an in-year surplus as noted in Administrative Summary No ADM2008-07 Year-to-date Financial Report of \$223,000.

To maximize the use of these funds and to create a more stable child care system Administration is requesting the Board consider a number of options. The funds are part of Best Start at 100% provincial allocation and if the funds are not expended by year-end, they will be returned to the province. Board approval is required for the expenditures. Administration has identified outstanding Best Start project costs and prioritized the approved requests recommending that the funds be allocated as outlined in Attachment #2.

**COMMENTS**

Although child care is considered a vital service to the community, funding for this particular sector is more complicated, less stable and less consistent and or prescribed than most others. It is essential that a funding system be established to allow for effective and efficient long-term planning.

**CONCLUSION**

It is concluded that the allocation of Best Start funds for the remainder of 2008 should be approved as described in Report No. 2008-19. TBDSSAB Administration will include recommendations for the disbursement of the additional fee subsidy funds in the 2009 budget submission.

**RECOMMENDATION**

THAT with respect to Report No. 2008-19 (District Children's Services), we recommend that the surplus allocation of Best Start funds for the remainder of 2008 be approved as outlined in Attachment #2 to Report No. 2008.19;

AND THAT the Thunder Bay District Social Services Administration Board authorizes the Chair and the General Manager of the Thunder Bay District Social Services Administration Board to execute Addendums to the original agreements of the relevant service providers in accordance with Attachment #2, and any other documents related thereto provided there are no significant changes;

AND THAT the above noted Addendums are authorized under By-law Number 10-2005.

**REFERENCE MATERIALS ATTACHED**

Attachment #1: Letter from Minister Deb Matthews, Ministry of Children and Youth Services, dated July 25, 2008, relative to funding for current child care programs.

Attachment #2: Proposed Child Care Surplus Spending

<b>PREPARED BY:</b>	Janette Bax, Manager – Children's Services Division District of Thunder Bay Social Services Department
<b>SUBMITTED BY:</b>	Mary Lucas, General Manager District of Thunder Bay Social Services Department

Ministry of Children  
and Youth Services

Minister's Office

56 Wellesley Street West  
14th Floor  
Toronto ON M5S 2S3  
Tel.: (416) 212-7432  
Fax: (416) 212-7431

Ministère des Services  
à l'enfance et à la jeunesse

Bureau de la ministre

56, rue Wellesley Ouest  
14<sup>e</sup> étage  
Toronto (Ontario) M5S 2S3  
Tél. : 416 212-7432  
Télééc. : 416 212-7431



**RECEIVED**

JUL 30 2008

**TBDSSAB**

**JUL 25 2008**

Councillor Iain Angus  
Chair  
Thunder Bay District Social Services Administration Board  
34 N Cumberland Street  
4th Floor  
Thunder Bay, Ontario  
P7A 8B9

*Iain*

Dear Councillor Angus:

I'm pleased to inform you of an important step the province is taking to support Ontario's system of early learning and child care.

The 2007 Budget announced that the government would enhance funding for current child care programs by \$25 million in 2007-08, and by an additional \$25 million in 2008-09, for a total increase of \$50 million annually.

This year, \$23 million of the additional \$25 million will be invested to provide approximately 3,000 more fee subsidies for licensed child care in communities across the province to make it easier for families to access affordable, quality child care. The remaining \$2 million will support new francophone child care spaces in schools.

To that end, I'm pleased to advise that the Thunder Bay District Social Services Administration Board will receive an allocation of \$277,200 in additional funding for fee subsidies. This investment will be provided at 100% provincial funding as we are waiving cost-sharing pressures from municipal partners. Ministry officials will be contacting you shortly with details relating to how this allocation will be flowed.

I'd like to thank you for your ongoing partnership and shared commitment to Best Start. I look forward to our further collaboration as we continue to improve Ontario's system of early learning and care.

Sincerely,

*Deb Matthews*

Deb Matthews  
Minister

**PROPOSED CHILD CARE SURPLUS SPENDING**

Child Care funding envelope includes:

Wage Subsidy, Fee Subsidy, Family Resource Programs and Special Needs, (Minor Capital and Health and Safety- pending surpluses).

Funding envelope s comprised of::

Day Nursery Act ( DNA), Early Learning Child Care (ELCC) - cost shared 80%-20%  
Best Start -100% Provincial

**WAGE SUBSIDY**

Total Funding \$2,702,769.

DNA 11553, 659 (Non Profit )  
159.137 (Commercial)

ELCC 382,224 (Non Profit)  
47,776 ( Commercial)

Best Start Proposed:  
560,000

**Current:**

Wage subsidy is distributed to each child care centre within the Board’s jurisdiction. Calculation is based on licensed capacity, hours/days/months of operation. Currently each centre is receiving the allowance base on the wage subsidy calculation, but that does not equate each time to the maximum allowance of \$9534,/staff. However the amount per staff has only increased by \$200.00 over the past ten years. This does not reflect the increase in salaries and benefits and cost of living. Staff working under larger umbrella agencies such as municipalities, universities and colleges and hospitals (MUCH) are receiving the full wage subsidy amount per staff but this may need to be revised and a portion of the funding will be re-allocated under a sustainability/enhancement funding.

Family Resource Programs (FRP) under TBDSSAB have not had any wage subsidy allocated due to limited funding in the DNA and ELCC wage subsidy envelope With the additional Best Start funding allocated to the expansion and 0-6 age group within child care programs, it is possible to allow the FRP staff their fair share.

Any wage subsidy dollars above and beyond the amount per staff can be allocated for “other” operational costs, pending approval from the Board.

**Proposed**

CHILD CARE: To set a goal that each staff member in the child care system receives the full allocation of \$9534,/staff. That any surplus under wage subsidy be allocated to each centre for enhanced funding to off set other costs. The MUCH group receives the Wage Subsidy portion under enhanced funding.

FRP: Administration is recommending that if the full child care projected surplus is realized, that it be given to the FRP staff as a one time bonus or as long as funds are available as per allowed amount per staff

Any further surplus realized to be distributed to child care centres for "other" operation costs on a case by case basis as approved by administration.

**WAGE IMPROVEMENT**

Total Funding \$435,900 ( Best Start)

**Current**

Intent of the Best Start wage improvement funding is to attempt to equalize staff salaries.

Issues to address include:

- a) Standards of practice to promote/reflect standards of pay.
- b) To remain competitive some centres are keeping the daily parent rates low and there by not realizing the revenue to pay staff at a higher level or to offer benefits. This puts other centres who do charge higher rates at a disadvantage.

In the interim administration has allocated the wage improvement funds to all centres to offset their deficit and to ensure staff can continue to be paid a reasonable wage.

**Proposed:**

To continue to distribute the wage improvement fund to all centres until a standardized process is in place.

To distribute \$39,000 of the Wage improvement funding to Resource Teachers, as there has been no increase in their funding.

**FEE SUBSIDY**

Total Funding = \$5,388,051

**Current:**

Rates that TBDSSAB pays to centres reflect the rates charged to full pay parent. This does not meet the actual/ per diems costs for most centres.

Average annual fee subsidy surplus \$250,000.- \$300,000

With the additional Best Start funds, surplus will increase for 2008 (100% funding)

All regional DNA ELCC fee subsidy surplus funds are reported to the Ministry and distributed to centres for Health and Safety, based on priority of identified needs

Determining Health and Safety needs is often subjective and funds do not meet the general maintenance costs of the centres. As long as child care is strictly funded on a fee for services basis, we continue to put the entire system at risk. Although accountability is honorable and must be maintained, child care services must have a more secure funding base.

**Proposed**

Administration is recommending to continue to pay fee subsidy based on full pay rates. In addition: Any fee subsidy surplus realized per quarter to be distributed using an equitable formula to all centres as a "per diem bridge" This will apply to all centres regardless of number of families

receiving subsidy as it will put centres with higher percentage of full pay parents at a disadvantage  
 Funding to centres will be more reflective of actual program and staffing costs.  
 Higher level of sustainability of the child care system.  
 Providing a “per diem bridge” will allow centres to maintain reasonable rates for the full or partially subsidized families

**SPECIAL NEEDS:**

Total Funding: Projected \$1,600,000  
 (Best Start still to be fully determined)

**Current**

Child Care is experiencing a number of pressures each year for children with special needs entering the child care system. Often centres require additional short term resources to provide adequate support to a number of “hard to serve” children. An allocation of limited funds has been set aside to allow administration to fund these particular cases on a one time basis, but a more concrete funding service plan needs to be established. It is the opinion of administration that each child care centre must have more autonomy for the delivery of this service.

**Proposed**

For special needs services, it is being recommended to continue to use the allocation of additional or surplus funds to address pressures to ensure all children in the child care system receive the support and services entitled to each child and family. The goal is to provide sufficient funding to community agencies providing direct or indirect service, but more so to the individual child care centres to ensure support/resources/staffing is available to support parental choice in their selection of the child care services needed. Each centre should be based on the needs of the children receive an equitable amount of support either through services provided or direct funding

**MINOR CAPITAL**

Funding/ surplus to be determined  
 The Board approved up to \$100,000 out of the reserve funding for the expansion projects, additional start-up/minor to come out of Best Start Operating.

**Proposed:**

Best Start operating funding is for the full range of services within child care; the only portion of the funding that must be separated out in the Year-to date reporting process is the Cost of Administration. The Board has authority to determine the allocation of the funding based on the needs of the community. In addition to the wage subsidy, fee subsidy, wage improvement as proposed; it is recommended that any additional/unexpended surplus be allocated for start-up minor capital costs for expansion of child care services. . It is proposed by administration to secure as much of the minor capital out of the Best Start funding rather than deplete the reserve funding.