



	REPORT No.: 2019-46
MEETING DATE: SEPTEMBER 26, 2019	DATE PREPARED: AUGUST 20, 2019
SUBJECT: INCREASE TO MAXIMUM DAILY RATES FOR CHILD CARE FEE SUBSIDY	

RECOMMENDATION

THAT with respect to Report No. 2019-46 (Client Services Division), we, The District of Thunder Bay Social Services Administration Board, approve the increase in the maximum child care rates for fee subsidy recipients effective January 1, 2020 as presented in Report No. 2019-46.

REPORT SUMMARY

To request approval of an increase to the maximum per diem rates that The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) pays for child care fee subsidy.

BACKGROUND

Fee subsidy is income tested financial assistance provided toward the cost of child care for parents, or legal guardians, of children between birth and 12 years of age.

TBDSSAB calculates the amount an eligible parent or legal guardian can pay for child care. This amount is paid by the parent or legal guardian directly to the Child Care Operator. The difference between the actual daily rate charged by the Child Care Operator and the amount the parent or legal guardian can pay is provided directly to the Child Care Operator by TBDSSAB.

Child Care Operators determine their per diem child care rates based on their own internal business model; however TBDSSAB sets maximum per diem rates upon which it will provide fee subsidy.

Each year, through the Budget process, TBDSSAB establishes maximum per diem child care rates for fee subsidy for each child care grouping, upon which maximum fee subsidy will be provided. As a process improvement, Administration will now seek Board approval for any changes in rates in September, in part to provide guidance to Child Care Operators during their annual budget processes.

COMMENTS

TBDSSAB is developing a long term Child Care and Early Years' Service System Plan which will guide future decision making, and assist Administration in exploring opportunities to examine the overall child care system, and where applicable, seeking efficiencies and areas of improvement. Increasing child care fee subsidy per diem rates ensures that the demands on the operational costs for child care programs are being appropriately funded.

Within the Child Care System, there are four child care centres with per diem rates that are currently at or higher than the TBDSSAB maximum per diem rates for all, or some, of the child groups.

The following chart outlines the 2019 rates and the proposed 2020 rates. Administration is proposing the Infant, Toddler, and Pre-School rates be increased using the prior year (2018) Ontario Consumer Price Index of 2.4%, rounded to the nearest full dollar. Kindergarten and School Age group rates would remain the same.

TBDSSAB Maximum Child Care Per Diem Rates

	2019 Rates	2020 Rates	Increase
Infant	\$69	\$71	2.9%
Toddler	\$52	\$53	2.0%
Pre-School	\$46	\$47	2.2%
Kindergarten	\$40	\$40	0.0%
School Age	\$36	\$36	0.0%

FINANCIAL IMPLICATIONS

There are several variables to consider when developing the financial implications and Fee Subsidy budget including:

- ages of children,
- parent/guardian income,
- attendance of eligible children at each centre and
- the rates charged at each centre.

Given these variables, Administration estimates the financial impact of increasing the maximum per diem rates noted above will result in approximately \$30,000 more fee subsidy being provided to Child Care Operators on behalf of eligible families.



This amount will be included in the 2020 Operating Budget to be submitted to the Board at the November Board Meeting.

CONCLUSION

It is concluded that the proposed maximum child care per diem rate increases support the sustainability of the child care system, are appropriate given the current fiscal environment, and should be approved.

REFERENCE MATERIALS ATTACHED

None

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APPROVED / SIGNATURE:	 William Bradica, Acting Director, Client Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board