EXECUTIVE SUMMARY:
The federal government’s decision to terminate the Ontario-Canada Bilateral Funding Agreement on Early Learning and Child Care (part of the Best Start Funding) represents a reduction in Kingston-Frontenac of $272,612 in child care fee subsidies and $52,950 in special needs funding by 2011. This reduction represents approximately eight percent of the fee subsidy envelope of $4.1 million and will further exacerbate the increasing fee subsidy pressures and impact funding for special needs resourcing.

This reduction however is in contrast to the unmet demand that staff estimates to be around $1 million annually in order to actually meet the needs in our community. This means that the current funding is being reduced by 8% at a time when it is already running 25% short of the demand.

At the regular meeting of Kingston City Council held on December 15, 2009 the following resolution was approved:

“That staff prepare a report that can be used as a submission by the City of Kingston to the provincial and federal governments outlining the concerns the City has with the inadequate level of funding currently provided to the City for childcare subsidy and outlining the amount of funding the City requires from upper levels of government in order to meet the childcare needs in the City.”

This report is in response to that request.

RECOMMENDATION:
THAT City Council calls on the Province of Ontario to extend funding for the Best Start Initiative beyond June 2010 to support families that are working or attending education endeavours and to prevent additional reductions in service; and

THAT City Council calls on the Province of Ontario to commit to Ontario’s children by fully funding an early learning and child care services system at sustainable levels to meet the current and future demands for fee subsidy and special need resourcing; and

THAT City Council further calls on the federal government to recommit to funding the Ontario-Canada Bilateral Funding Agreement on Early Learning and Childcare, which is a first step towards a more comprehensive child care framework.
AUTHORIZING SIGNATURES:

**ORIGINAL SIGNED BY COMMISSIONER**
Terry Willing, Acting Commissioner, Community Development Services

**ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER**
Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

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<th>Commissioner</th>
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<tr>
<td>Commissioner Beach</td>
<td>Sustainability &amp; Growth</td>
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<td>Commissioner Leger</td>
<td>Corporate Services</td>
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<td>Jim Keech</td>
<td>President, Utilities Kingston</td>
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OPTIONS/DISCUSSION:

In August 2009, City staff received written confirmation from the Province that as a result of a federal funding shortfall our municipality would lose $325,562 on an ongoing basis from the Early Learning and Child Development Operating Grant. This letter also indicated that the province would provide a one-time provincial investment to reduce the amount of funding at risk in 2010/11 by providing continuity in Early Learning and Childcare Development Grant funding through the 2009-10 school year.

For Kingston-Frontenac this represents a reduction of $127,196 in fee subsidies and $24,690 in special needs funding for 2010. On an ongoing basis this could represent a decrease of $272,612 for fee subsidies and $52,950 in special needs resourcing. Based on our current system, this funding reduction means that approximately 46 children are at risk of losing fee subsidy funding. In addition approximately 19 special needs children are risk of losing support through special needs funding or through the loss of a special needs support staff. This reduction represents a 3% decrease in our fee subsidy budget and a 3% reduction in our special needs resourcing budget. For 2011, if allocated the same as 2010, the reduction will be just over 6% in both these budget envelopes.

Staff have determined that we expend approximately $16,000 per day on fee subsidies. In 2009, we placed a hold on new fee subsidy children for 74 days to stay within the budget envelope. While it is challenging to quantify what the demand would have been during the hold, using our fee subsidy per diem rate, the City would require an upset limit of $1.1 million in additional fee subsidy funding to meet the unmet demands.

In an earlier report in December 2009, staff received approval to make a number of policy changes to help mitigate the impact of the reduction in the fee subsidy envelope in 2010 and beyond. It is too early in the year to assess whether these changes will postpone the need to begin a fee subsidy wait list in 2010. The City continues to have a hold on new part-time subsidies for children who are referred by an agency as not meeting their developmental milestone (speech, language, socialization etc.) and their parents are at home. This also includes medical referrals that are received to request part-time subsidies to support parents with medical conditions (surgery, limited mobility, long term illness etc.).

While it is anticipated that over the next five years the implementation of Early Learning into all elementary schools may mitigate some of the pressure on these budgets, it will have minimal impact in the next one to two years as the number of children able to access this program initially is very limited. Based on our current caseload, approximately 13% of the children are in the JK/SK age bracket (3.8-5) but we expect only a small number of these children will be able to access and move to Early Learning in 2010.

On a province-wide basis, supporting and advocating for the extension of Best Start funding beyond 2010 will support the services already implemented. The Best Start Initiative has represented the most positive provincial vision for children’s services to date, with the largest expansion in child care funding in more than a decade. Through Best Start:

- the province has helped communities to create over 22,000 licensed child care spaces for Ontario’s children;
- communities have moved ahead with integrated initiatives, with high-level collaboration between the children’s services and education sectors;

By continuing Best Start, the province will:

- sustain the over 22,000 licensed child care spaces created by this initiative since its introduction 2005, thus supporting access to early learning and care for children and enabling parents to enter the workforce with confidence;
- give children with special needs the supports they need, helping them and their families take important steps forward;
- make it clear to Ontario’s youngest citizens and their families that the province wants them to grow up in the healthiest, most-supportive environment possible.

The Roundtable on Poverty Reduction has been consulted on this report and their response is provided under separate cover.

EXISTING POLICY/BY LAW:

Day Nurseries Act, 1990, Reg. 262

NOTICE PROVISIONS:

There are no required public notice provisions.
ACCESSIBILITY CONSIDERATIONS:
This report and related information is available in alternative formats including French Language translation, upon request.

FINANCIAL CONSIDERATIONS:
The decrease in Best Start funding effective 2010 in the amount of $151,886 is reflected in the 2010 operating budgets, although the reduction has no net impact on municipal costs since all provincial funds received are used to pay for childcare services.

CONTACTS:
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Laura Austin, Supervisor, Childcare and Homemaking Programs, Community & Family Services (4812)

OTHER CITY OF KINGSTON STAFF CONSULTED:
Adele Lafrance, Manager, Finance and General Administration Unit, Community & Family Service (4801)