

# **Childcare Services Management Strategies 2011 - 2015**



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## **Executive Summary**

### **Background**

On January 1, 2000, the City of Kingston became the designated Service Manager for provincial childcare programs in Kingston and Frontenac. This designation included responsibility for eligibility determination of subsidy applications, administration of a fixed cost-shared funding envelope, and responsibility for local service planning and ongoing management. The three (3) most significant funding programs include: fee subsidy, wage subsidy and special needs resourcing. Kingston is also responsible for the oversight of an unconditional grant (Best Start) currently held in a reserve fund.

The current childcare service system, both provincially and locally, is in the midst of a significant transition period as the province rolls out a new full day kindergarten (FDK) program. This program is child-centred and play based, promoting children's physical cognitive, language, emotional, social and creative development and well-being and will take 5 years to reach full implementation. The roll out began in September 2010 and will be fully implemented by September 2014. FDK is predicted to attract approximately 20% of the children currently served in licensed childcare and consequently will require existing childcare programs to assess their ongoing operating viability and remodel their existing programs, if feasible.

### **Current Challenges**

The City is currently experiencing funding pressures in three (3) of the main funding programs as either a funding shortfall or increase in service demand.

The two principle challenges for the licensed childcare sector are:

- Effective and sustainable allocation of limited fee subsidies to support responsive, affordable childcare services,
- Mitigation of potential negative impacts on families and childcare service providers as they respectively adjust to full day kindergarten (FDK), and service providers assess their future operating viability to determine the most feasible course of action whether it is program remodelling, relocation, downsizing or closure.

## **Service Planning**

The Province regularly requires Childcare Service Managers to develop Service Management Plans as part of the provincial service contracting process. The most recent provincial Childcare Service Management Plan, submitted in the spring of 2010, included ongoing strategies that address the current funding pressures and very broad strategies related to FDK implementation as the impact of this initiative was unknown at the time.

While the strategies presented in this document reiterate or complement the provincial service management plan, they have been updated to address the initial impacts of FDK and to reflect new business practices introduced by the Ministry of Education.

## **Local Service Management Strategies 2011 - 2015**

### **Principal Goals**

1. Optimize use of the fixed childcare funding allocation to maximize the number of families served and continue to make childcare more affordable through provision of fee, wage, special needs resourcing and one time subsidies,
2. Stabilize Childcare Service Providers, during the ELP and Extended Day implementation through provision of service manager expertise and limited financial assistance, so they may determine their respective post FDK service provision feasibility based on evolving service demand and their longer term financial viability,
3. Optimize service access (both choice and ease of registration) for families requiring childcare,
4. Participate in all required components of Best Start Child and Family Centre Planning and Implementation.

### **1. Fee Subsidy**

#### **Objective**

- Manage Fee Subsidy demand within fixed funding envelope without resorting to the implementation of a wait list.

#### **Challenges**

- Demand for access to subsidized care exceeds funding,
- Childcare Centre per diems increasing.

## **Strategies**

- Priority will be given to parents that are engaged in employment or education and training activities outside of the home,
- Provide limited referral subsidies for stay at home parents with special needs children or children with developmental delays,
- One time transitional fee subsidies dedicated to Helen Tufts & The Child Centre for 2011 to assist with the impacts of FDK and reduced number of subsidized referrals.

### 2012 Update

- new, ongoing fee subsidies dedicated to The Child Centre to support the availability of licensed childcare in the rural area,
- new fee subsidy wait list policy developed and approved,
- implementation of a fee subsidy wait list in November 2011 and continuing in 2012

### 2013 Update

- Discontinued fee subsidy wait list in September of 2012 and invoked a new fee subsidy wait list in April of 2013

### 2014 Update

- Discontinued fee subsidy wait list in March of 2014
- Expansion of Priority 2 Fee Subsidy "Referral Care" Service from 10 month term (September to June) to 12 month term (September to August)

## **2. Wage Subsidy**

### **Objective**

- Stabilize Childcare Service Providers and the overall service system during the implementation of FDK while maintaining a longer term goal of achieving equitable funding distribution

## **Challenges**

- Ongoing funding shortfall results in most Childcare Service Providers being funded below their maximum calculated entitlement due to system expansion

## **Strategies**

- New centres opening on or after January 1, 2011 and otherwise eligible to access wage subsidies in 2013, will be placed on “hold”,
  - New centres opening in 2011, 2012, 2013 will submit Wage Subsidy worksheets in 2014 for access to wage subsidy funding in 2015,
- Existing sites in receipt of Wage Subsidy who expand on or after Jan 1, 2012, will have their expanded wage subsidy entitlement limited to a net increase of 5 additional spaces above their most current site license and this expanded entitlement will be recognized once only during the “hold” period,
  - Existing sites expanding in 2012, 2013 and/or 2014, will have their expanded wage subsidy entitlement for spaces over the “net 5” recognized and funded in 2015,
- Notwithstanding the above strategies, provincially prescribed funding formulas and entitlement maximums and the local application of equitable percent distribution for all fiscal funds will continue to be utilized during the stabilization period.

## 2014 Update

- The transition period for development of the new General Operating Expense funding distribution model will be extended to include 2015.
- The wage subsidy “hold” period for new Centres and the 5 space expansion “limit” on existing Centres will be extended to include 2015.

## **3. Special Needs Resourcing**

### **Objective**

- Manage limited Special Needs Resourcing Funds to ensure children with greatest needs are supported

## **Challenges**

- serving higher volumes and more complex needs with fixed funding allocation,
- Provincial expectation of refocusing Special Needs Funding on children 0 – 3.8 years of age

## **Strategies**

- Consult with Special Needs Resourcing Programs on transitioning to serve younger children and developing a protocol for serving children 4-12 year of age,
- Limit provision of “enhanced support” funding to school site B&A programs, except when significant safety and security concerns have been identified,
- Standardize data collection and reporting of special needs service delivery to better understand, evaluate and plan future delivery within the limited funding allocation.

## 2014 Update

- Increased allocation for special needs resourcing in 2014 to mitigate enhanced support funding pressures and to assist with French Language Service Delivery,

## **4. Best Start Unconditional Grant**

### **Objective**

- Continue oversight of the remaining Unconditional Grant funds ensuring they are used to optimize service access and delivery to families requiring childcare and related children services and in the best interest of the community

### **Challenges**

- Availability of unconditional funds as a one-time opportunity,
- While operating pressures exist in all provincial childcare funding streams, use of the Unconditional Grant for operating pressures or deficits is not sustainable

## **Strategies**

- Service provider eligibility criteria for one time stabilization/transitional funding to be developed in consultation with Childcare Service Providers and other stakeholder agencies,
- Allocate of up to \$93,600 of the Best Start Unconditional Grant for use over the course of the FDK implementation, as one time stabilization and transitional funding for existing Kingston and Frontenac Childcare service providers with viable post FDK business plans,
- Fund the acquisition and start-up costs associated with the implementation of an on-line Web Based Centralized Childcare Wait List Registry for Kingston and Frontenac

### 2012 Update

- Web based Centralized Childcare Registry and Information Service (CCRIS) under development with a go-live date in 2013

### 2013 Update

- Web based Centralized Childcare Registry and Information Service (CCRIS) operational as of April 2013

## **5. Service System Management and Administration**

### **Objectives**

- Optimize use of the fixed childcare funding allocation to maximize the benefit provided to the families served and the broader child service sector,
- Stabilize Childcare Service Providers and the overall service system during the FDK Implementation,
- Optimize access and stability for families requiring childcare

### **Challenges**

- Managing fixed funding allocations with service pressures in all three major program programs,

- Managing the service system through FDK with identified but as yet not quantified impacts on existing service providers,
- Limited access to reliable data on service needs and potential future clients

### **Strategies**

- Ongoing participation in community planning tables and forums,
- Provision of timely and accurate written information bulletins and memos,
- Hosting of information and consultation sessions as warranted,
- Opportunities for one on one meetings with childcare programs admin staff to discuss operational concerns including stabilization and future service delivery viability,
- Ongoing review, revision and simplification of local policies and business processes to ensure rationalization with Ministry requirements, optimum use of funding for its intended purpose and reduced bureaucracy for service providers wherever possible,
- Enhance and strengthen relationships with School Boards,
- Investigate feasibility of implementing an internet accessible/Web based centralized childcare waitlist Registry as a customer service enhancement for families seeking childcare options, as a tool for both Childcare Operators and the Service Manager with the potential to increase efficiencies, as a marketing tool to attract new clients and as a means of enhancing data collection for planning purposes.