

INFORMATION REPORT

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: June 10, 2013	
SUBJECT/REPORT NO: Child Care Funding (CS13028) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community and Emergency Services Department	PREPARED BY: Grace Mater 905-546-2424 x4979 Jane Soldera 905-546-2424 x 2399
SIGNATURE:	

Council Direction:
N/A

Information:

Earlier this year staff shared with Council the Early Years Community Plan (2012-15) created in partnership with the Hamilton Best Start Network (*The City of Hamilton Early Years Community Plan (CS13002) (City Wide)*). As noted in the plan, 2013 is a pivotal year when the City and the Network will need to continue to focus their attention on furthering the development of an integrated early years system in our community while stabilizing and transforming local child care.

A subsequent report *Ministry of Education Early Years and Child Care Policy and Funding Announcements (CS13016) (City Wide)* presented to Council in March 2013 included the announcement of an additional \$3.3 million Provincial (100%) funding to stabilize and transform the local child care system.

The purpose of this report is two-fold: a) to provide an up-date on work underway to develop an implementation strategy for the community plan, and b) to provide an update on plans to utilize the additional \$3.3 Million provincial funding.

Action to Support the Local Child Care Operators during System Transformation

As the Consolidated Municipal Services Manager (CMSM) for child care, the City is working with local child care operators to help stabilize their programs while the child care system continues to be transformed over the up-coming years. The Ministry of Education describes this period as 'transitional', with 75% implementation of full day kindergarten by September 2013. The impact of the four and five year olds leaving the child care system requires the development of a new funding framework and the forthcoming review of the Day Nurseries Act.

The thrust of work to date has been to: a) ensure all operators are fully informed of the changes underway in the child care system across the province, b) position planning for the change in the context of an integrated early years system in Hamilton and, c) provide tools, information and resources to help individual operators and groups of operators make informed business decisions about their child care programs.

A sample of the activities that have recently taken place or are currently underway include:

- Board of Director training for not for profit child care operators (December 2012)
- Release of the Early Years Community Plan 2012-2015 (January 2013)
- Business Resiliency Training workshops offered to all child care operators (February & May 2013)
- Child Care - System Wide Consultation and Information Sessions (March and May 2013)
- Facilitated dialogues to:
 - a) explore un-met needs in particular neighbourhoods,
 - b) investigate potential partnerships between operators and,
 - c) inform re-profiling existing child care programs (June 2013)
- Development and distribution of planning resource tools, data and other information to support planning (on-going).

This work is iterative in nature and requires on-going dialogue and consultation with child care operators to ensure their 'voices' are heard throughout this transformational period with subsequent planning and support activities then adjusted in response to their inputs. Staff also continue to work closely with the Ministry of Education, other key local stakeholders in the Early Years sector through the Best Start Network and other municipalities to inform the approach to stabilizing and transforming child care.

Allocation of 2013 Increased Funding (\$3.3 Million) to Stabilize the Local Child Care System

In March, staff advised Council that the City had received an additional \$3,343,306 child care base funding from the Province (*Ministry of Education Early Years and Child Care Policy and Funding Announcements (CS13016) (City Wide)*). This funding supports the Provincial commitment to reforming the early years system including stabilizing and transforming the child care system which is an integral part of the broader early years system. While the additional funding is welcomed, Hamilton, like many other municipalities, is experiencing pressures across the entire child care system. The system is complex and 'fixing' pressures in one area will not in isolation necessarily stabilize the system and/or increase access for children and families. Quantified funding pressures reported by staff in the March report totalled approximately \$12.5 million. Other pressures had been identified but not quantified at that time.

While work will begin this year to develop a new child care funding framework for the future (targeting 2014), an interim approach has been developed in consultation with local child care operators to use the additional \$3.3 million provincial funding allocated to the City of Hamilton in 2013, to address local current system pressures.

In March, staff met with 74% of community child care operators. As part of those consultation meetings operators were asked to: a) envision what the child care system in Hamilton would look like by 2015, b) what would need to happen to achieve that vision and, c) what their priorities are related to current pressures in order to stabilize their operations and assist with transforming the local child care system..

The full community feedback summary is attached as Appendix A to Report CS13028. Using feedback received from child care operators, as well as information from the Early Years Community Plan, staff have determined the investment of the additional 2013 provincial funding will best stabilize the system if it:

- Is balanced (e.g. does not just focus on one area or 'pressure')
- Helps to build system capacity
- Is flexible enough to address some unique challenges identified by individual operators
- Addresses outstanding operator per diem pressures
- Increases access to service by removing of some children from the child care fee subsidy waitlist.

The following chart provides details on the increased 2013 base funding:

2013 Allocation of Additional \$3.3 Million (100% Provincial) Child Care Funding*

Priority	Allocation of Funding	Comments
Child Care Fee Subsidy <ul style="list-style-type: none">• Per Diem Pressures• Waitlist Pressures	\$ 777,709	This funding will address operator per diem pressures and serve more children on the wait list for fee subsidy By year end approximately 200 more children each month will receive fee subsidies.
Child Care General Operating Grant	\$ 1,693,155	This one time grant will help to increase financial stability for child care operators. 2013 is a transition year. Staff are developing a process for the distribution of these funds (example; funding to cover a portion of the accommodation costs incurred by operators), until a new funding framework is developed, which is targeted for implementation in 2014.
Capital retrofit	\$ 179,815	This funding will support non-profit child care operators to retrofit existing space to serve younger children as a result of children leaving for full day kindergarten.
Repairs and Maintenance	\$ 84,978	This funding will support child care operators to meet Day Nursery licensing, health and fire requirements.
Capacity Building	\$ 120,000	This funding will provide tools, information and resources to help individual operators and groups of operators make informed business decisions about their child care programs. (i.e. business resiliency training, professional development activities)
Transformation	\$ 288,932	This funding will support non-profit child care operator viability and facilitate child care transformation activities. (i.e. business planning and legal costs)
Administration	\$ 198,717	Estimated costs to support the Early Years Community plan implementation strategy and child care transformation activities.
Total:	\$ 3,343,306	

*The Ministry of Education has described 2013 as a transitional year and provides municipalities flexibility to re-allocate funding 'in year' as required to

meet local needs and plans. The allocations presented above are estimates and may change as required depending on pressures/demands in year.

The allocations above by and large begin to address pressures identified by staff and child care operators with two notable exceptions; special needs resource funding and wage subsidy funding pressures.

The Early Years Community Plan identified particular challenges related to supporting children with special needs in child care. This was also recognized by child care operators as a pressure during community consultations in March. Currently the City of Hamilton exceeds the required minimum investments in special needs resource funding as required by the Ministry of Education. Prior to making any further investments at this time, staff will engage the early years sector to determine the best approach to addressing the challenges on a go forward basis.

While wage subsidy was identified as a funding pressure, the March 2013 Provincial Child Care Service Management and Funding guidelines note that municipalities cannot use any of the additional \$3.3 million provincial funding to increase child care staff wage rates. However, municipalities are permitted to provide this funding to operators under a General Operating Grant to help operators stabilize their over-all operating costs. The City has maintained the 2012 wage subsidy funding allocations to child care operators and will develop a process for the distribution of a General operating grant to support child care stability across the child care system.

APPENDICES / SCHEDULES

Appendix A to Report CS13028: March 2013 Community Consultation Feedback Summary



City of Hamilton
March 2013 Community Child Care Consultation
Facilitated Discussion Feedback Summary

Hamilton
Best Start

1. How do you envision the child care system in Hamilton in 2015? How will we know we have achieved it?

A child care system that is :	We will know we achieved it when :
<ul style="list-style-type: none"> • Sustainable • Efficient • Responsive to community needs • Child & family centred • Integrated • Inclusive • Accessible • Built with quality 	<ul style="list-style-type: none"> • Community is working together • All child care operators are involved with community hubs, and neighbourhood plans • More children can access care • Effective transitions for all children • Families have choices • Well trained staff • Registered Early Childhood Educators (RECE) retention issues are reduced • High quality programs • Reduced wait list times • Data is available to support evaluation and planning
Sample of Participant's Comments	
<ul style="list-style-type: none"> • The beginning of the stop of retention issues with RECE • Strong, healthy stable system, Consistent quality care • Cohesive & responsive to community needs • Child & family centred • More children can access care, More subsidized spaces available • Affordable care • Equal access – family centre options – affordable • All programs sustainable / quality • Needs to be cohesive & responsive to needs in the community – flexible to changing needs • Flexibility to cross “silos” – receive service based on needs • Everyone is on level playing fields (i.e. between sectors) • Waitlist for families is moving to accommodate families' needs – reduction in waitlist • System of integrated data • A well-run system that incorporates Best Start, resources and different programs. We would like to see it become a hub which involves parents – where all parents have access to help and resources • Families need to have choices – centres based in schools / stand-alone sites etc. • City – processes will be transparent and openly communicated • Evidence would inform that you have achieved it • Quality program as well, well trained staff • Equitable system that will allot funds for subsidy equally to balance to bring more \$ 0-3.8 years into the system • Diversity of programs still exist – co-op, Montessori • Hubs – working with family • We will know when parents are accessing services – user data • Everyone who needs child care has it regardless of special needs resourcing – no wait • Accessibility for all children, special needs • Effective transition to all programs for ALL children – families know the journey for each age group – more follow through with Support Facilitators (SF) & Resource Teachers (RT) so support continues – better transition to school • Children with special needs be able to access before/after school – equitable access 	

Community Child Care Consultation – Feedback Summary

What needs to happen to achieve it:

Planning	Sample of Participant's Comments
<p>A planning process that is :</p> <ul style="list-style-type: none"> • Led by the City of Hamilton • Inclusive of all stakeholders • Neighbourhood based • Based on demographic data that determines the need and demand for child care spaces by age group and neighbourhoods • Going to review Special Needs Resourcing (SNR) 	<ul style="list-style-type: none"> • Step back and look strategically and do some planning • Work with the city on planning – where are the families and where are the needs • City needs to do analysis of areas where childcare is needed before licensing is issued • Joint planning with city /operators • Hamilton – neighbourhood planning groups with providers • The planning process must be transparent and open to all shareholders • Licensed. Home child care – to be seen as integrated part of the early years system – needs to be recognized as a valuable service for families • Collaborating with neighbourhood child care centre, planning together to create a community plan – hub • Creating community neighbourhood plan • Understanding the needs of parents moving forward • Kinds of need in the location of the neighbourhood, planning the needs of the areas, with collaborative data • Determine how many childcare spots are needed • Need an assessment of #s of children at each age group, needing care – on subsidy waitlist etc. • We need to look at what data exists and what need might be in the respective areas. Infrastructure is a big concern – look at some centres merging to keep the small centres going. A different way of doing business. There will be growing pains in the system • Planning – evidence based – where families are located – data • Using community data to support planning / systems support • Philosophy for exceptional child development program • Redefine SNR criteria to include children < 2 yrs. • Earlier identification / support at younger age
<p>Special Needs Services that:</p> <ul style="list-style-type: none"> • Support school age children 	<ul style="list-style-type: none"> • Additional support for school age children • Better SNR resources for the 4 & 5 year olds • Assure families support is available • better communication to see families through the whole process – fill in gaps , i.e. school-age care, summer care • Trained SF in all centres based on research of area that have increased special needs • More support in after school programs • Special need services on sight within our team

Community Child Care Consultation – Feedback Summary

What needs to happen to achieve it:

Licensed Child Care Operators who:	Registered Early Childhood Educators who:	As the Child Care Systems Manager the City of Hamilton needs to:
<ul style="list-style-type: none"> • Are connected to the early years community • Work together as equals • Have access to reliable data • Have options to deliver services differently • Understand how funding is determined and distributed • Have access to professional development • Have equal opportunities to provide input into Municipal priorities 	<ul style="list-style-type: none"> • Are making a competitive wage • Have access to continued professional development • Have access to mentoring opportunities • Are well trained in younger age groups • Feel valued • Understand the importance of their role in the system 	<ul style="list-style-type: none"> • Understand the community partners • Use open and transparent processes • Educate parents about the licensed child care sector • Advocate for Day Nursery Act (DNA) changes • Provide opportunities for community planning • Facilitate community conversations • Provide data for planning • Ensure that fee subsidy is administered with due diligence • Support quality programs • Support choices for families • Ensure the System funding is distributed fairly and equitably

Sample of Participant's Comments

- More subsidized spaces available,
- City – processes will be transparent and openly communicated
- A commercial daycare cannot compete with the wages of the school board so wage subsidy needs to be at minimum if not increased to high quality child care centres
- Advocating for all programs – co-op, nursery, Montessori
- Better scrutiny of subsidy users, new criteria for subsidy “looking for work”
- City of Hamilton can help by providing more financial support
- Cohesive data system, electronic record keeping system that could link to the school system – that could be sharing of staff – integration of services
- Continued open communication / Education between the City and operators
- Electronic record system for child care system with greater linkages across sector
- Fair market rate for per diems for children 0 to 3.8 years – reflection of true costs
- Funding equitable for commercial not just not-for-profit. Funding tied to quality care
- Increase our licensed capacity of child care to 25% not 15% for children 0 to 3.8 years
- Provide dollars for renovations, toys, etc. for younger age group, and big costs – retrofits
- Service families from 1-3 years
- Strengthen opportunities for people coming together, Facilitated conversations
- Stronger connection with Boards of Education to look at connecting the two systems that provides care to families in a more seamless way.

Community Child Care Consultation – Feedback Summary

Sample of Participant's Comments

- Supporting neighbourhood development – developing regional resources
- Transparent process for developing per diem rates and assigning per diems to agencies
- Upgrade of information technology – funding to support the program enhancements
- Human resource practices, coaching – how do you hire people, set goals, motivate people (child care human resources centre)
- Investigation of different models of care, i.e. Quebec system – all families pay a set amount
- Leadership development
- Make resources available for everyone – information sharing / transparency
- Needs to be an integrating system. Starts with the schools but what other services can also be used and how do we build on these?
- Awareness campaign, Communicate idea of choices / marketing / what is available for families
- More parent awareness / education – childcare website
- DNA to allow for more creativity for a diversity of ways to support families,
- Create more flexibility among centres and programs
- Designing appropriate environments for the age groups being serviced
- Flexibility – hours of service , keeping siblings together, offering care for shift workers
- Modernization of DNA
- College graduates better prepared to work with younger children
- Consistent training between organizations (i.e. some receive professional development internally)
- Encouraging staff to go in apprenticeship program – have a number of unregistered staff
- Mentoring opportunities to link with other child care centres – especially for small centres
- Need to retain ECEs so we have mentors for our Mohawk students
- Standardize wages throughout Hamilton – if balanced across the City and school board it would stabilize staffing, Aim towards all ECE making a living wage
- City-wide plans for professional development – retention – recruitment
- ECEs should feel valued – know that they are an integral part of a quality system
- Ongoing professional development & training equability accessible, to meet children's needs
- Families need to have choices – centres based in schools / stand-alone sites etc.
- All child care operators involved with community HUBS, neighbourhood plans
- Licensed home child care is viewed as a viable option for parents
- Everyone is on level playing fields (i.e. between sectors)
- Centrally allocated ECE supply pool – work together
- Develop a pool of participants to provide a larger base for benefits, insurance
- Operators have to look at how to respond to losing 4 and 5 year olds, changing to serve 0-3.8 year olds
- Pressures will always exist. How do we look at efficiencies – join with other neighboring centres to build on those efficiencies, – merging and amalgamating
- Child care operators involved in broader community planning at neighbourhood level
- We need to look “outside of the box” we can no longer operate as we always have – need to change – also need support of the ministry
- Increased system quality- stronger approach – tied to funding in order to receive additional funding should be tied to quality
- Resources for Quality and specific to infant toddler and younger preschoolers

Community Child Care Consultation – Feedback Summary

2. The priority for the City of Hamilton in 2013 is to stabilize the child care system. With the additional 3.3 million, what are the priorities for an interim strategy?

Priority	Sample Participant's Comments
Planning, Information, Training	<ul style="list-style-type: none"> Operators should be given access to a business management expert to assist in developing a 5 yr. business plan Continue on path of training, i.e. Board of Directors, Resiliency Business planning with operators – continued professional development training for operators Investing a portion into the planning process, i.e. electronic data base Making the information accessible, and more transparent
Wait List/ Fee Subsidy	<ul style="list-style-type: none"> Child care subsidies, especially for “at-risk” populations reprioritize the system/criteria Actually moving children from the current wait list Impact wait list – not just P1 children, blend so there is a balance
Wage Subsidy/ Base Funding	<ul style="list-style-type: none"> Accommodation cost supports- cost of operation down – attract more fee paying into the system Retention, recruitment of ECE for transition time(i.e. apply for transition funds – moving into infant/toddler care from JK/SK) We need more dollars for admin Staff training \$ for infants and toddlers and specializing programs to meet the needs of the community
Per Diems	<ul style="list-style-type: none"> Per diems – look at Provincial Review of per diems as a reference Per Diems are a huge concern – still falling short in terms of equity
Special Needs	<ul style="list-style-type: none"> Special Needs – huge struggle for B&A school, PA days, March Break etc.
Capital Retrofit	<ul style="list-style-type: none"> Retrofits, especially in areas where young families are moving to or where FDK has been operating for # of years Capital dollars available for commercial programs as long as they meet criteria such as ECERS, Raising the Bar
Repairs and Maintenance	<ul style="list-style-type: none"> Repairs and Maintenance would be before capital retrofit
Balanced Approach	<ul style="list-style-type: none"> Wage subsidy, accommodation/operation costs – flexible/fee subsidy wait list pressure/increase special needs-allow for school age children, after school, summer, PA days Per diems should be covered first. Then, waitlist needs to be addressed, it's because of the wait list everything else is a problem \$3 million not sufficient to address \$10 million wait list – issue that needs to be addressed across governments and across sectors – bigger planning challenge Per diem – 100% of pressure, Wage subsidy – 100% of pressure, Repairs & Maintenance - 80% of pressure, Wait list – left over of additional 3.3 million Focus on targeting/isolating a few of the pressures to successfully manage them Wage subsidy, per diem increases, repairs and maintenance – target these items with full support

Community Child Care Consultation – Feedback Summary

3. How do you want the City of Hamilton to communicate with you? What are the best methods for you to receive information and to provide input to the city?

Common Themes	Sample Participant's Comments
Current methods are working	<ul style="list-style-type: none"> City does communicate very well Continue with the City Rep. @ supervisors Network – transparency Methods the City has been using so far are working for people We have enjoyed the meetings we've had with the City so far, we can tell you care and are listening to us.
Web access to information	<ul style="list-style-type: none"> Perhaps an interactive website / blog Webinars for something new Internet – a matching program – one d/c looking to ask other daycares questions on-line Blogs – convenient, can do it from home at your own convenience Posting of different committees and groups (minutes from CMSM, Supervisors Network). City of Hamilton & Best Start website – great resources Webinars – useful helps on planning and not interrupting work schedule - can stay at work and have information given
Email	<ul style="list-style-type: none"> Email – information transfer method of choice – need an updated listing of “who” is responsible for “what” Really like emails for info updates and sharing of info Co-ops like email because of turnover but training would be good for co-op together Email – stream-line distribution lists – but prefer to get it twice rather than not get it at all
Survey	<ul style="list-style-type: none"> Survey on line Surveys are good to gather information, but then bring all together to exchange info. Survey wage rates and fees for Sept. Survey monkey – anonymous feedback
Distribution of Information	<ul style="list-style-type: none"> Information – to those that have attended as well as those who were not able to attend, email, website etc. Visuals/charts to understand the system, Email outcomes after info. Sessions PPT sent to centres for the Board members Glossary of terms – acronyms Collating feedback and disseminating – supervisors network, website, email Presentations available online
Face to Face Meetings/ Consultations	<ul style="list-style-type: none"> To give info to City - this kind of info session Looking for different opportunities to engage with other operators Communication reciprocal which is what face to face allows Face-to-face mtgs. As needed – 3-4 times per year plus electronic version of the PPT Face-to-face on major changes and new challenges Form group, Q&A sessions, meetings with the City Face-to-face meetings beyond Supervisor's network Working groups and face to face communication Community consultations – to stay informed
Other Comments	<ul style="list-style-type: none"> Maybe a “day” to send emails, i.e. Mondays Consider timing around school breaks / holidays System in place to let us know what we should focus on via prioritizing emails for Info or for Action Newsletter from the City