Child care rates being lowered

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During a recent Manitoulin-Sudbury District Board (DSB) meeting Lou Addison, program planning committee chair, asked Donna Moroso, director of integrated social services, to walk the board through the new child care rates and capital policies.

The development of a child care capital policy will allow the DSB to support the system needs of child care centres as they adapt to the full-day kindergarten and occupancy increases.

The Manitoulin-Sudbury DSB is responsible for administering the Ontario Child Care Service Management and Funding Guidelines as prescribed by the Ministry of Education. The DSB program planning committee reviewed the child care rates and capital issue report, child care rates policy and the child care capital policy. The board approved these policies during the meeting.

The DSB developed a standard set of child care rates, based on hours of care and age groups, provided for subsidized children.

A fee subsidy will be issued to an approved non –profit child care centre. Non- profit, DSB approved, child care centres must follow the standard - universal rates set by the DSB.

In addition, new child care rates were lowered by about 15%, which amount to almost $5/day.

This was done to make child care more affordable for the families the DSB serve. Due to the lower rates many providers will see a significant loss in revenue. Child care centres can offset the loss of revenue with their increases received through the new operating grant.

In 2010, universal rates for child care fees came into effect.

While child care centres agreed to universal rates, the implementation for some operators was to take place over a five-year period.

Since that time, and although the rates were based on an average competitive fee, operators agreed the rates are too high. Building on the foundation of universal rates, the DSB, along with child care operators, agreed that lowering rates would be beneficial. By lowering of child care rates, operators will see an increased support from the newly implemented operating grant.

In the past, leading up to the new funding guidelines, the DSB’s capital funds were limited to one time allocations.

Since early 2013, and following the release of the new child care funding guidelines, the Children’s Services’ Department, of the Manitoulin-Sudbury DSB had been engaged in several meetings with child care operators.

As a result of the increased funding envelope from the Ministry of Education (MEDU), the Manitoulin-Sudbury DSB has been revising child care policies.

Policy changes were conducted to ensure that child care operators are supported in a manner that supports quality child care, which promotes clients accessibility to affordable quality programming.

In June of 2013, the DSB approved four policies including: repairs and maintenance, general operating grant, capacity building, and play based material and equipment.

In a continued effort to provide high-quality early learning services for children and families, and to benefit them with the increased funding envelop, the DSB and the operators agreed to lower the rates.

With regards to private home day cares (PHDC), and in keeping with the goal of universal rates, these rates were also revised.

With consideration that PHDC rates were, and will remain, lower than centre-based rates, the fees were revised based on the uniqueness of PHDC’s. For example, PHDC staff to child ratios are lower to a max of five children and do not consider the age of the child. With centre-based care, the children to staff ratios increase as the children age. Additionally, older children generate more revenue as the ratio of staff to children increases.

With PHDC, the ratios remain the same and the costs go up for older children such as food since they eat more. The end result is both agencies now have a universal rate.

Since the majority of home-based rates are still lower than centre based, it was noted the increased rates should not adversely affect the number of children in PHDC.

The new child care rates have been agreed to by all of the executive directors of the child care centres with the understanding that where the change in rates may adversely affect the centre, a plan would be developed to ensure the centre reached the new rates within a reasonable time period.

It was anticipated that lowered rates would promote higher childcare space occupancy, which will help offset lower revenues. In addition to a rates’ policy there was the development of a child care capital policy.

Capital funding will help offset the costs of renovations of existing child care centres to serve younger children as four- and five-year-olds enter full-day kindergarten. Capital funds may also be provided to a non-profit childcare centre for the cost expansion and/or improvement when needed.

DSB CAO Fern Domenelli will have the authority to allocate and approve available funds to capital projects based on priority and available funds.

If a child care centre has higher or lower rates, they are required to show that their fees are moving towards the universal rates. Child care centres must charge the same universal rates to subsidized parents and full-fee paying parents.

The DSB approved decreases to child care rates for the Manitoulin - Sudbury District jurisdiction became effective on Oct. 1, 2013.