

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.  
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DATE 23 December 1996

TO/DEST. Co-ordinator  
Community Services Committee

FROM/EXP. Commissioner  
Social Services Department

SUBJECT/OBJET **REVISED PROPOSAL FOR THE RELOCATION OF  
ST. LUKE'S CHILD CARE CENTRE**

**DEPARTMENTAL RECOMMENDATIONS**

**That the Community Services Committee recommend Council approve a revised proposal for the relocation of St. Luke's Child Care Centre to include:**

- 1. A modified program structure for 52 children, comprising 20 toddler and 32 preschool spaces and;**
- 2. A revised regional contribution to the capital budget of \$395,000 to be provided from the Child Care Contingency Fund.**

**BACKGROUND**

St. Luke's Child Care Centre is a 20 space infant/toddler program operated by the Region since the early 1970's. It is located in the Jack Purcell Community Centre on Elgin Street. Since 1990, the Region has been concerned about the high unit cost of this program due to its small size and lack of economies of scale. The Department looked at various options for expanding the centre in its existing location or relocating it within the downtown core. Because space within the Jack Purcell Community Centre is in high demand and downtown space with sufficient outdoor space for a playground is expensive and difficult to find, very few options were available.

When the need to renovate/relocate St. Luke's Child Care Centre was identified, the Social Services Department requested Provincial funding to carry out the project. In May, 1993 the Ministry approved a grant of \$375,000 under the Jobs Ontario Capital Program. The estimated total cost of the project including equipment and furnishings was \$450,000.

In February, 1995, Regional Council approved a proposal to relocate St. Luke's Child Care Centre. The goals of the proposal were to maintain centre-based subsidized child care spaces in the downtown core, enhance workplace child care, utilize a provincial allocation of subsidized spaces and increase operating efficiencies.

The proposal required the renovation of 4,900 square feet on the ground floor of the Ottawa-Carleton Centre. The operating capacity would increase to 49 spaces and include 10 infants, 15 toddlers and 24 preschool children. The additional ongoing operating costs for the expanded centre were approved in the 1996 budget, requiring a net regional contribution of \$20,241 to create 5 new toddler and 24 new preschool spaces. This proposal increased the number of centre-based subsidized child care spaces in the downtown core and decreased per day unit costs for care, providing greater operating efficiencies.

In implementing this plan, staff tendered the provision of architectural services which was subsequently awarded to Griffiths, Rankin, Cook, Architects who redesigned the space to accommodate this grouping of children. In June of 1995, the Ministry of Community and Social Services (MCSS) placed a freeze on all child care capital funding pending the outcome of the Provincial Child Care Review. The freeze was implemented before specifications for this project were completed. Approximately \$15,500 has been received to date from MCSS for their 80% contribution for architectural services. While the Province agreed to pay their share of commitments already made when funds were frozen, there has been no authority given to cover any further costs incurred.

### **CURRENT SITUATION**

In June 1996, the department requested a clarification on the status of capital funding for St. Luke's Child Care Centre. In a letter dated June 17, 1996 the MCSS area manager reiterated that although the project remains an area office priority, all capital funding remains frozen until the findings and directions of the provincial review are complete.

The space on the ground floor of the Ottawa-Carleton Centre, identified for relocation of St. Luke's Child Care Centre, has been temporarily occupied by several regional services over the last 18 months. There is a growing demand for the permanent use of this space, necessitating a resolution on the status of this project.

Regional Council approved a three phase strategy to maintain the level of service for subsidized child care through the incorporation of the 707 Jobs Ontario child care spaces into the regular 80/20 funding stream. The third phase of the strategy, to identify long term strategies for efficiencies in the child care system, has been undertaken by the department in consultation with the child care community. The most contentious area of review was a feasibility study on modifying the proportion of infant care provided in centres. All regionally operated child care centres participated in this review, including St.Luke's Child Care Centre.

The operating inefficiencies in St. Luke's Child Care Centre continue to be a concern and cannot be overcome in the existing facility. Half of St. Luke's current program is in the delivery of infant care, contributing to the high costs of this program. To address both these issues the department has developed a modified proposal for the relocation of St. Luke's Child Care Centre. The new proposal allows the Region to join with the child care community in providing efficiencies required in the 1997 child care budget.

### **REVISED RELOCATION PROPOSAL**

In view of the current economic realities the Social Services Department has revised the original relocation plans for St. Luke's Child Care Centre. The goals contained in the original Council approved plan to maintain centre-based subsidized child care spaces in the downtown core, enhance workplace child care, utilize a provincial allocation of subsidized spaces and increase operating efficiencies have been preserved.

The initial expansion plan included space for 49 infant, toddler and preschool children. Due to the high cost of group infant care the Department would prefer to proceed with a 52 space centre accommodating 20 toddlers and 32 preschool children. Discussions with MCSS and the architect for this project indicate that this configuration is achievable. Without infant care, the operating budget for the centre would be reduced by approximately \$80,000, while the number of spaces would be increased by 3. The increased size of the centre would also give the department additional long term savings due to economies of scale. The approximately \$80,000 in savings would be applied to the \$1,039,000 total savings required in the 1997 child care budget. This proposal assists the department in providing a contribution to the total savings the child care community needs to identify and in taking a leadership role in phasing out infant group care spaces.

A revised estimate for the capital costs of implementing this plan confirms that this project could be completed for \$410,000 including equipment and furnishings. The Province has contributed \$15,000 to date. Although this project remains a high priority for the MCSS area office, it is unknown when the freeze on child care capital funding will be lifted. The Department recommends proceeding with this project, now using the child care contingency fund to cover the revised renovation costs. This would require a regional contribution of \$395,000. The Department will pursue the provincial contribution of 80% of the total project cost once the freeze on provincial capital funding is removed.

The department believes relocating St. Luke's Child Care Centre now is the best available option. The continued hold on the space in the Ottawa-Carleton centre is not feasible given the high demand for the space. The scarcity of appropriate space for a child care centre in the downtown core would make relocating St. Luke's Child Care Centre in an alternate site a significant challenge.

The Child Care Contingency Fund was created to enable the Region to accept new subsidy allocations from the Province. The fund has provided flexibility in responding to emerging needs that were not evident during budget deliberations. The Contingency Fund has been used in the past to fund operational costs associated with the creation of new subsidized spaces. The use of this fund to relocate St. Luke's Child Care Centre enables the creation of 32 new spaces, 27 of which will be subsidized. The creation of these new subsidized child care spaces is consistent with the goals established for the utilization of the Contingency Fund. The Department therefore recommends using the Child Care Contingency Fund for the capital costs to relocate St. Luke's Child Care Centre.

### **FINANCIAL IMPLICATIONS**

The Child Care Contingency Fund currently contains \$3.4 M. The recommended expenditure of \$295,000 by the Department to fund the capital needs of New Edinburgh Child Care Centre and Garderie Sunflower Co-operative leaves an uncommitted balance of approximately \$3.1 M. Sufficient funds exist to accommodate this request.

### **PUBLIC CONSULTATION**

The Department undertook discussions on the original proposal with Wellington Ward Child Care Centre (the program in closest proximity to the Ottawa-Carleton Centre) and with Child Care Information to verify that the relocation and increased capacity of St. Luke's would not have an adverse impact on Wellington Ward. No problems were anticipated. Due to the significant demand for subsidized spaces in this area, no problems are expected from the revised proposal.

The Department has undertaken extensive consultation with the child care community in identifying long term strategies for efficiencies in the child care system. The revised proposal for St. Luke's Child Care Centre is consistent with the departmental recommendations achieved through the community consultation process.

### **CONCLUSION**

The revised proposal for the relocation of St. Luke's Child Care Centre is consistent with the goals approved by Regional Council. The creation of a 52 space toddler, preschool program allows the department to achieve economies of scale in the operation of the centre. The elimination of infant care in the program provides an additional \$80,000 in savings that provide a regional contribution to achieving long term efficiencies in the delivery of child care services. It also enables the Region to take a leadership role in providing less infant care in centre-based programs.

The need to achieve operational efficiencies coupled with excellent available space to relocate St. Luke's Child Care Centre makes proceeding with this project desirable. Given the continued provincial child care capital funding freeze the department recommends using regional funds to complete the relocation of the program. Sufficient funds exist in the Child Care Contingency Fund. The use of this fund to relocate St. Luke's Child Care Centre will create 27 new subsidized spaces.

**FINANCE DEPARTMENT COMMENT**

To be provided under separate cover.

*Approved by  
Dick Stewart*