

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

REPORT
RAPPORT

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DATE 26 January 1998

TO/DEST. Co-ordinator
Community Services Committee

FROM/EXP. Commissioner, Social Services Department

SUBJECT/OBJET **REDISTRIBUTION OF SUBSIDIZED CHILD CARE SPACES**

DEPARTMENTAL RECOMMENDATIONS

That the Community Services Committee and Council approve the following parameters for the current redistribution of subsidized spaces. The following priorities are to be used to redistribute spaces. Available spaces will be allocated to agencies that:

- 1. Face closure due to economic viability because of a demonstrated lack of full fee payers in the community they serve;**
- 2. Were affected by the provincial redesign of Children's Integration Services and therefore lost four subsidized spaces to this redesign;**
- 3. Serve exclusively low income parents or other disadvantaged groups such as young single parents, or have been impacted by changing demographic needs in their community;**
- 4. Serve francophone parents in low-income communities;**
- 5. Are for-profit centres that have not previously been allocated many subsidized spaces but have a high need in the communities they serve;**
- 6. Serve low income aboriginal parents;**

Priority will be given to agencies that fit one or more of these criteria.

PURPOSE

The purpose of this report is to seek approval for priorities to guide the redistribution of subsidized spaces within the licensed child care system in Ottawa-Carleton.

BACKGROUND

Over the past several years, the number of subsidized spaces in Ottawa-Carleton has not grown. This comes after many years of growth that saw new agencies and programs being developed during the 1980s and 1990s. The demand for subsidized spaces, however, has not decreased.

In 1992, the provincial government introduced the jobsOntario Training Program. The province introduced subsidized child care spaces, funded at 100% to support parents who wanted to take advantage of jobsOntario(JO) placements. These spaces eventually became accessible to parents on social assistance involved in a number of activities. By 1995, the Ottawa Carleton region had 707 (JO) spaces. The Department and Council allocated some of the spaces to specific agencies, while the remainder were left to “float” to allow parents the choice of child care program. The following chart shows how 542 of the 707 spaces were allocated. The remaining 165 were floating spaces.

REASON FOR ALLOCATION	NUMBER OF SPACES
Programs set up using JO spaces (to serve students)	121
Home Child Care agencies serving clients meeting JO criteria	224
Group agencies serving clients meeting JO criteria	156
Integrated (disabled) spaces	10
Emergency spaces for victims of violence	9
Home child care for francophone and aboriginal families	22
TOTAL	542

Spaces that were “allocated” were given to some programs to use exclusively for parents who met the jobsOntario criteria (a total of 224 to home child care agencies and 156 to group programs). In addition, 121 spaces were “allocated” to new programs designed to serve JO eligible parents. An additional 41 spaces were allocated to serve disabled children, abused women and two home child care agencies serving francophone and aboriginal parents. The JO criteria specified that parents must be in receipt of social assistance and participating in employment or training/education. JO spaces could not be used to serve other parents in receipt of “regular” subsidies. The criteria for “regular” subsidies includes parents who have special needs, are conducting job searches or are determined eligible due to their income being within the range for subsidy.

Approximately 165 spaces were left to “float”. This meant that parents who met the JO criteria could use a space at any agency that had a vacancy. If the parents chose to transfer this space to another program (due to change in work location, etc.) they could do so, assuming they still met the JO criteria. The agency from which the parent was transferring could not fill the vacated JO space as they were “allocated “ to the parent, not the agency.

In 1995, the province announced it would no longer pay 100% of the costs of JO spaces, but instead would cost share them at 80/20. At that time, Regional Council introduced a series of cost saving strategies to help the region sustain its portion of the cost of these spaces. Over the last two years, agencies and the Department have been making cost reductions in order to maintain these 707 spaces in the community.

In 1997, it became clear that many of these spaces were no longer “floating”. Some agencies had kept these spaces full both to serve parents that required them, but also to help the economic viability of the agency. Complicating this, was the criteria for jobsOntario. Many parents met the criteria at the time of admission, but subsequently found work. In some cases, parents still qualified for subsidy, but they no longer met the JO criteria. It was clear that maintaining two separate streams of subsidized spaces was becoming confusing and cumbersome for agencies and the Department.

Council directed the Department to embark on a redistribution exercise. Many agencies that had not traditionally had a large percentage of subsidized spaces had been indicating their desire to have more subsidies. The Department considered a number of options for this process. They included:

1. A total redistribution of all available subsidies. This approach was rejected for a number of reasons. Although many agencies would gain from this process, some agencies that traditionally had a large number or 100% subsidies could soon face viability issues. As well, it is accepted that there are not enough subsidies available to meet the current demand. The concern therefore was that this process would not address all of the concerns and would likely just shift the problems to a greater percentage of agencies, thereby destabilizing the system as a whole.
2. A redistribution of all 707 JO spaces. This approach was attractive in that a large number of problems could be addressed, but again this would likely shift some of the concerns from one group of agencies to another. It was also anticipated that to remove spaces from some group programs would be difficult as many programs using JO spaces served primarily low income and social assistance parents.
3. Redistribute the floating spaces and confirm or reallocate those spaces that had previously been allocated from the 707 spaces. This was seen as the preferred option for a number of reason. First, it was concentrating only on those spaces that were being used throughout the community, therefore not removing spaces from agencies that had been serving social assistance clients in large numbers. As well, it would not serve to aid some agencies at the expense of others. Finally, because the province has not yet announced its child care reform,

this option was seen as causing the least amount of disruption should reform be significant. All three options also involved phasing out the separate criteria for the 707 JO spaces.

In the fall of 1997 the Department held a series of information sessions with the child care community. The purpose was to outline a process for dealing with the 707 jobsOntario spaces. At that time, the Department introduced the idea to discontinue the separate criteria for JO spaces and to have only one set of rules for all subsidies. As well, the Department proposed reviewing the allocation of some of the JO spaces that had been made in the early 1990s and either confirming them or reallocating some that were no longer required. Finally, it was recommended that the 165 spaces that were still floating be available for redistribution. The reaction from the community was generally positive. Many wanted the process to address the concerns of their agency, but agreed that a large-scale process could create instability that was not desired at this time. Many expressed concerns about the lack of equity in the current system, that is that some agencies are 100% subsidized and that others have far fewer, even no subsidized spaces. As well, agencies responded well to the suggestion that this would be a first step in a redistribution, and not the final stage in the process.

Agencies were asked to submit written requests for spaces and indicate whether they required these spaces due to viability issues or equity issues. Many define equity in different ways. For the purpose of this exercise, equity was seen as agencies that served a particular language, cultural or geographic community that had high needs. In addition, agencies that had not been allocated spaces in the past due to previous policy directions would also be included. Agencies were asked to indicate what efforts they had made to attract full fee payers and to indicate what the demand was for subsidized spaces in the community.

During November and December 1997, agencies submitted their requests for spaces. In total, 34 agencies submitted requests for 556 spaces . Due to the number of requests, decisions were made to not allocate to new programs opened which had been opened without subsidies. As well, it was decided to not bring any new programs up to the 100% subsidy mark unless they served an exclusively low-income target group such as teen mothers.

PROCESS FOR REDISTRIBUTING SPACES

Information from the agencies was analyzed and each agency was considered against the pre-defined criteria. It should be noted that if more spaces were available, many of the agencies not given priority at this time would have been considered. These requests will be kept on file for further stages in the redistribution exercise.

Another step in the redistribution process was to confirm or redistribute spaces that had been allocated in previous years. As mentioned in the report, 532 spaces were allocated to a number of agencies using JO spaces. The Department is recommending that these spaces be confirmed to agencies at the levels approved for 1997.

The concept of floating spaces has caused some challenges. The purpose of these spaces was to assist parents fitting the JO criteria to use care where they needed it. What tended to happen, however, was that a number of agencies attracted parents fitting the criteria and were able to keep

replacing them. Therefore a small number of agencies had the majority of these spaces in their programs and now find it difficult to sustain their programs without the subsidies. This is particularly true for agencies serving parents on social assistance such as teen parents. It applies as well to some agencies in suburban communities, several of them being commercial centres, that have traditionally not had as many subsidized spaces.

There are also three agencies that have been impacted by a provincial redesign of the Children's Integration Services (CISS) program. These three agencies each had four spaces allocated to serve disabled/handicapped children. In September of 1997, the Ministry of Community and Social Services reassigned these spaces (through attrition) to the CISS. Once these children leave the programs, the spaces will revert to being full fee spaces. Consideration was given to these agencies' ability to attract full fee payers in these spaces. The decision was made to allocate up to four spaces per agency to be used once the children leave the integrated spaces.

Efforts have been made to allocate more spaces to francophone programs. Currently, francophone spaces do not reflect the proportion of francophone parents in the region. This has caused hardship to some programs that serve primarily low-income areas.

A number of agencies were considered for spaces due to economic viability. In some cases, they are agencies whose community has changed over the years, and can no longer attract full fee payers. In some cases, new programs have developed in these areas that are not licensed, and are attracting the full fee payers who have traditionally used these programs. The new programs tend to serve school age children. In other cases, decisions made by various school boards to close or open new school has had an impact on agencies designed to offer school age programs in the area. These programs could be filled with subsidized children, but have been unable to sustain full fee payers due to changes mentioned above. If the policy is approved, 66% of the available spaces would be allocated to programs that could face closure without additional subsidized spaces.

There are a number of programs that currently have 100% of their spaces subsidized. Some of these programs serve exclusively low-income areas including Headstart programs, while others are in areas that could attract full fee parents. The Department decided not to reallocate spaces from these programs at this time, rather to meet with the agencies to strategize about how they might begin to attract full fee payers. The hope is that some agencies may be able to attract full fee payers thereby freeing up additional spaces for redistribution in the future.

NEXT STEPS

If this policy is approved a number of actions are required to implement the changes. They include:

1. Agencies currently utilizing jobsOntario spaces will be asked to convert them to the first available regular subsidy in order to phase out the separate JO criteria. Parents using these spaces will need to be informed that the spaces are no longer portable to be transferred to other programs. Experience has shown that very few parents took advantage of moving the spaces once they had accessed service in a program.

2. Agencies that have been recommended for additional subsidies will be informed in writing early in 1998. In most cases, these agencies are currently using a number of jobsOntario spaces and would simply convert them to regular spaces. If however, they are using more spaces than their new allocation, they would not fill any new subsidized spaces until they had reached their new level.
3. Agencies that are having their previous allocation of JO spaces confirmed would be notified in writing and could fill these spaces using the regular subsidy criteria rather than the JO criteria.
4. Agencies who have 100% subsidies will be invited to a meeting where strategies to fill some spaces using full fee payers would be discussed.
5. An information report will come to Committee and Council detailing the decisions for individual agencies early in the spring.

CONCLUSIONS

The proposed criteria for redistributing spaces will act as a first step in making the subsidized system more equitable. The process outlined in this policy is not sufficient to address the shortfall of subsidized spaces in the system. This process may, however, prevent some agencies that are currently serving hundreds of children from closing. Other agencies will be able to maintain some of the spaces they have been utilizing through the floating JO spaces. More spaces serving francophone and aboriginal children will be available. As well, commercial agencies that are offering care in areas with few subsidized spaces will be able to maintain some subsidies in their programs. Finally, those affected by changes to the integrated system will not be adversely affected by these changes.

Many programs requesting additional spaces through this process will not be accommodated. In the end, only 32% of requests were met through the redistribution. Until the announcements from the provincial government are known regarding child care reform, it is not recommend that a larger redistribution is undertaken. Other discussions are suggested, however, such as encouraging some agencies that are presently 100% subsidized to develop a process of attracting fee payers.

PUBLIC CONSULTATION

The subject of redistributing subsidized spaces has been discussed with the child care community in many forums over the past year. Most recently, information sessions were held in October (English and French) outlining the process and direction for the redistribution process.

FINANCIAL IMPLICATIONS

There are no additional costs associated with this process.

*Approved by
Dick Stewart*