

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

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 27 February 1997

TO/DEST. Co-ordinator, Community Services Committee

FROM/EXP. Commissioner, Social Services Department

SUBJECT/OBJET **REQUESTS FOR CAPITAL FUNDING**

DEPARTMENTAL RECOMMENDATIONS

That Community Services Committee recommend Council approve:

- 1. Postponing the consideration of capital requests from child care programs until the provincial government announces additional information about funding for child care. Exceptions to this recommendation would be made for programs that are facing urgent needs due to unforeseen circumstances, such as the need to move; and**
- 2. That a draft new policy on capital funding be brought back to Committee and Council later in the year.**

BACKGROUND

Historically, the provincial government has provided the lead role in capital funding for child care centres, including determining capital priorities. Funding was once provided for capital funding expansion on a 50/50 basis between the provincial government and the child care program. This was subsequently increased to 80/20, and finally under the jobsOntario program, capital expansion was 100% provincial funded. Through the Program Development Fund, one-time funding has been available on a 80/20 basis for program moving and related start-up equipment costs.

In June of 1995, the Ministry of Community and Social Services froze all child care capital funding, pending the outcome of the Provincial Child Care Reform. In September of 1996, a discussion paper was released by the Minister, Janet Ecker, outlining proposed directions for reform. Included in these proposals was a section on capital funding that suggested the Province provide 50% capital funding only for health and safety related projects. The report suggested that responsibility for capital expansion would be returned to the private and non-profit sectors. Regional Council and many other organizations in the child care community have expressed concern that this policy would limit expansion and jeopardize the ability of existing programs to expand or renovate existing spaces or to relocate programs. The consultation phase of the discussion paper is over and announcements of the new direction for child care reform are expected sometime this year.

Capital funding was also available in the past through the New Schools Program through the Ministry of Education and Training. This fund was designed to include child care centres in new schools being built. In July, 1995, the Minister of Finance cancelled this program and indicated that funding for all capital projects not already under construction was to be deferred and that any new requests for school based child care centres would not be approved.

Several local programs have been affected by these changes. The Department has received requests from programs that are facing moves and from others that are planning to open new centres in new schools. This report outlines requests that have been submitted in the last several weeks, and an update on one program as requested at the Community Services Committee meeting of 16 January 1997.

The changes listed above have left a void in the area of capital funding policies. The scenarios described below demonstrate the need for the Department to develop a new policy on funding capital projects, both for new programs and the maintenance/relocation of existing ones. Despite the fact that the province may not announce their decisions on child care reform for several months, it will not be possible to operate without a direction on capital funding for the next year. It is for this reason that the Department recommends bringing back a report to propose a new policy direction in this area, even on an interim basis.

SPECIFIC PROGRAM REQUESTS

This report will outline requests from four programs. The Department is aware that other programs may be facing capital costs over the next year, but have not as yet formalized their plans. It is therefore important that an interim direction on capital requests be decided until there is clarity from the province about the future of capital funding.

The programs that have submitted requests include:

1. The Children's Centre
2. Centre Youville Centre
3. Le centre préscolaire Coccinelle d'Orleans
4. Le Conseil des écoles catholiques de langue française re: a new school to be built in Kanata

1. The Children's Centre

The Children's Centre has been a tenant in one wing of the Hilson Avenue Public School for over seventeen years. Since 1991, the Ottawa Board of Education has been discussing a plan to include the Children's Centre in its plans for the reconstruction of Hilson School. A feasibility study was jointly conducted by the OBE and the Children's Centre in 1991, supporting the continuation of co-location on the present property. At a public meeting held in September 1996, the community supported the plan to continue having the Children's Centre as part of the Hilson Avenue school. The OBE has agreed to include the Children's Centre in its design, without cost for land, however, it expects the Children's Centre to contribute the cost of construction and associated costs.

The Children's Centre has embarked on a fund raising campaign to assist in the cost of relocation. They expect that they can contribute a minimum of \$100,000 towards the cost of the project. In a letter to the Minister of Community and Social Services, dated 3 October 1996, they requested capital funds from the province and had indicated that they hoped the Region would contribute 20% share of the cost. The Children's Centre had originally planned to take advantage of the relocation to expand their program. Due to the current fiscal climate, they have chosen instead to proceed with only the replacement cost associated with their current program capacity.

The Board plans to renovate the school during the 1997/8 school year. The Children's Centre submitted a request to the Ministry of Community and Social Services of \$1,900,000 to cover the costs of construction and equipment. Originally, that request would have meant the Region would be asked to contribute 20%, or \$380,000. These costs were estimated based on information from 1994 estimates. Due to the fact that the province is no longer approving capital funding, the request to the RMOC would be for \$1,800,000.

2. Centre Youville Centre

The Centre Youville Centre was incorporated in July of 1995. The purpose of the organization was to provide shelter and support to young high-risk mothers between the ages of 16 and 18. In March of 1987, a school for young single parents including 25 licensed child care spaces for infant/toddler programs was opened in a renovated school on Melrose Avenue. In 1988, a residence was licensed by the Ministry of Community and Social Services established within the school building for five mothers and their children. In July 1993, a preschool program with the capacity to serve 48 children was converted from a private child care centre to become part of Youville's operation. In 1994, the residential component of the program was closed, but the school program for mothers was expanded.

Youville currently operates their two programs in two separate buildings, one at 19 Melrose Avenue and the other at 265 Carruthers. The Centre Board of Directors has wanted to consolidate the two programs into a single building for many years. The consolidation was desirable partly because the current buildings are seen as inadequate and also to have all of the services under one roof.

The building on Melrose Avenue was built in 1913. Although renovations were carried out, there are inadequacies in the current space. Youville explored the possibility of building onto the

existing space but have been told it is not feasible. The second building is a converted duplex. It is a leased facility which requires some renovations and cannot be economically renovated to a satisfactory level. The lot size precludes any expansion of the building.

Youville undertook an accommodation study in early 1994. The requirements were summarized and a concept design prepared for a new building. It was recommended at that time that the Centre buy a piece of adjoining land to at 62-78 Carruthers Avenue, (currently owned by Youville) to better accommodate the proposed two storey building, playground and parking. Through diligent fund raising efforts, Youville was able to raise over \$800,000 and have purchased the land for the proposed project.

In 1995, Youville applied to the province for \$1,200,000 in capital funding to cover the cost of construction on the land on Carruthers. Although they were told verbally that their request was approved, capital funding was frozen in June of that year and written confirmation of the grant was never received. The land purchased included three houses and presently the houses are being used for Youville's residential programs.

In January of this year, Youville wrote to the Ministry indicating that due to the financial climate they have abandoned the construction of the building on Carruthers Avenue. Instead, they have explored the purchase and renovation of a school on Melrose Avenue from the French Catholic School Board. The cost of the school would be approximately \$1 million. The new facility would house the child care programs, as well as additional services for job training and parenting for young single parents. They plan to raise \$350,000 in both cash and services in kind towards the cost and are requesting \$750,000 from either the province and/or the region. The fund raising would cover the costs of the programs other than the child care component.

The building currently housing the preschool continues to require renovations on an ongoing basis. Should Youville's request for capital funds to buy and renovate the school be unsuccessful, they will require funds to renovate the existing structure.

3. Le centre préscolaire Coccinelle d'Orleans

Le centre préscolaire Coccinelle d'Orléans has been planning to open a child care program for toddlers and preschoolers in a new school being opened in the east end in September of this year. This program was made possible through funds from the Ministry of Education and Training through the former New Schools Program to include child care programs in new schools. Originally, the program expected that they would be able to apply for funds for equipment for the new program through the Program Development Fund. Due to the changes announced to capital funding by the province, the program has submitted a request for \$50,000 to cover costs for equipment . In its submission to the Department, the Centre has included a copy of the strategic plan of the Regroupement des services de garde de langue française d'Ottawa-Carleton, who have indicated that this project is a priority of the group.

4. Le Conseil des écoles catholiques de langue française Re: A New School To Be Built In Kanata

Le Conseil des écoles catholiques de langue française has been awaiting news from the Ministry of Education and Training for approval for a new school in Bridlewood in Kanata. In January of this year the Minister announced that the funds would be approved. When the project was first designed, the Ministry of Education and Training was providing funds to include child care centres in new schools. Although these funds are no longer available, the school board is willing to include the child care centre in its design, provided some funds are available for the costs of construction and equipment. The proposed centre would include toddler, preschool and school age programs. The francophone community has been raising funds for this program in anticipation of its approval. They have estimated that the cost of construction to be \$350,000, and \$100,000 for equipment. They believe they can raise \$100,000 locally and are requesting \$350,000 from the Department for construction. They are being told by the school board that they must provide their answer about their intentions to proceed by the end of March of this year. If the group fails to meet this deadline, the child care centre cannot be included in the architect's design for the new school. The plan is for construction to begin later this year, with an opening date of the fall of 1998.

FINANCIAL IMPLICATIONS

The list below shows the total amount requested from the four programs described above.

Total Funds Requested

Children's Centre	\$1,500,000
Centre Youville Centre	\$750,000
Coccinelle	\$50,000
Conseil des écoles catholiques	<u>\$350,000</u>
 Total	 \$2,650,000

This report is not recommending any expenditures from the Child Care Contingency fund at this time. The above requests, totalling \$2,650,000 represents a significant portion of the fund. As mentioned earlier in the report, it is expected that many other programs will be making requests to the Region over the next year and beyond.

CONCLUSION

The above listed programs are seeking clarification concerning the availability of public funds for their capital projects. If funding from the provincial level had not been changed, most of these programs would be seeking only a 20% portion of these requests. These groups are aware of the limitations of the contingency fund, particularly when matching funds do not seem to be forthcoming from the province. Organizations in the child care community have recently written a letter requesting that Regional Council consider the feasibility of accessing federal infrastructure program funds to assist in the completion of such capital projects. It is important to note that all of these programs have been planning these capital projects for several years, but funding changes through the two Ministries involved have made the planning process challenging. These changes have also impacted on the Department's ability to give clear responses to groups seeking capital funds. It is therefore proposed that the creation of a new policy on capital funding be developed.

*Approved by
Dick Stewart*

FINANCE DEPARTMENT COMMENTS

The Finance Department will provide comments on the financial implications to the Region of the proposed new policies for child care capital financing.

For the information of Committee and Council the attached schedule A is provided on the status of the child care reserve funds.

*Approved by T. Fedec
on behalf of the Finance Commissioner*

BRB/maw

Schedule A

Status of Child Care Contingency Reserve Fund

Cash Balance as at March 11/97 3,894,953

Council Approved Commitments:

Community Services Committee Report
No. 42 (Feb 12/97)

- St. Luke's Municipal Child Care Centre *** (374,400)

- Phase-in of Department's proposed
reduction strategies for funding 707 Jobs
Ontario spaces (170,000)

Community Services Committee Report
No. 41 (Jan 22/97)

- Capital Grants to New Edinburgh Child
Care Centre * (210,000)

- Capital Grants to Garderie Sunflower
Cooperative ** (125,000)

Uncommitted Balance 3,015,553

* Conditional on provincial funding in the amount of \$755,000.

** Up to a ceiling of \$125,000 with the final amount to be determined by actual costs less any provincial contribution.

*** To reflect a revised regional contribution for project of \$395,000.