



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: October 17, 2005
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TO: Vancouver City Council
FROM: Director of Social Planning
SUBJECT: Report Back on the Civic Child Care Operating Grant Criteria

RECOMMENDATION

THAT Council approve the revised grant criteria for quality and affordability for the annual Civic Child Care Operating Grant.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

Vancouver City Council established the annual Civic Child Care Grants program on October 23, 1990, as part of the Civic Child Care Strategy. The Civic Child Care Grants program sets out to:

- support the viability, accessibility and quality of existing child care services;
- assist child care initiatives in high need areas;
- encourage and support efficient, coordinated administrative services required for a child care system in Vancouver; and
- leverage other sources of child care funding whenever possible.

Council approved "Moving Forward, Childcare: A Cornerstone of Childhood Development" in April, 2002, which sets out a strategic plan for child care and child development services for the City over the next ten years.

In July, 2004, Council directed staff to review grant categories and processes and report back to Council with options for streamlining the administration of the Child Care Grants program.

In June, 2005, Council approved combining three Civic Child Care Grants (Inner City Sustaining, Program Enhancement and Inner City Bursary) into one operating child care grant, based on centres' licensed capacity for high need areas and tie to conditions of quality and affordability, and requested staff report back with a streamlined application process and grant criteria for quality and affordability in the Fall of 2005.

PURPOSE

The purpose of this report is to report back on the 2005 Council motion that directed staff to streamline the application process and recommend grant criteria for quality and affordability for the Child Care Operating Grant (a combination of three Civic Child Care Grants).

BACKGROUND

The 1990 Civic Child Care Strategy outlined that a comprehensive child care system must have the principles of quality, accessibility and affordability. These three principles are defined below.

Quality

High quality child care is known to have long-term positive impacts on child development and, therefore, contributes to a healthy, functioning society. Early childhood development programs can have a profound impact on health, well being and coping skills across the entire life course. The chances for successful physical, social/emotional, and cognitive/language are strongly influenced by the day-to-day qualities of the environment where children grow up, live and learn. Good quality child care can have a positive impact on children's development. The first round of the Organization for Economic and Cooperative Development (OECD) Thematic Review identified raising quality as a policy priority among OECD countries. The quality of child care can be influenced in a number of ways:

- Government regulation;
- Staff wages;
- Staff levels of education;
- Staff: child ratios and group size;
- Informed parental choice and involvement in selection of and participation in a continuum of care options;
- The operating auspice of the centre;
- Financial stability of centres and staff retention;
- Well defined pedagogy and philosophy;
- Subsidized rent, utilities and operating costs.

Accessibility

An accessible child care system is one in which there is appropriate and adequate capacity for all families and children requiring care. This means:

- A comprehensive range of child care choices for parents, including full and part-time group programs; licensed family daycare; supported informal and in-home care; family place parent/child programs; services for children with special needs; parental leave and provision for shift, seasonal, casual and emergency care;
- A continuum of services for children from birth to 12 years of age in developmentally appropriate programs for infants, toddlers, pre-schoolers and elementary school-aged children;
- Mandated accountability for developing and delivering child care programs at appropriate Federal and Provincial department levels, with adequate staff and technical resources;
- Planning, coordination and delivery of child care services at the neighbourhood level;
- Recognition of the need for responding to diversity of culture and language.

Affordability

The cost of quality child care in Canada is often prohibitively high for families with more than one child in care and for families on lower incomes. The cost of regulated child care in Canada is largely borne by parents, with very limited assistance provided from government sources. Currently, parent fees in Canada account for approximately 85% of the operating revenue of child care programs, with a patchwork of government programs (depending on the jurisdiction) accounting for no more than 15%. Canadian parents pay a much larger proportion of the cost of child care and governments pay a much smaller proportion. In regulated child care programs for 3 to 6 year old children in most OECD countries, child care is provided free to all parents. In countries where it is not free, parents pay no more than between 10% and 30% of the costs of child care.

Low income families in Canada encounter barriers to child care despite the presence of child care subsidies in many provinces because subsidy rates are typically below the average Provincial cost of regulated care. This gap between the child care subsidy and the real cost of care, effectively precludes many low income families from using regulated care, and they instead turn to lower quality care provided by the unregulated child care sector where costs are typically lower.

The 1988, Canadian National Child Care Survey interviewed a representative sample of 24,155 families, with 42,131 children under the age of 13. Almost 24% (23.7%) of parents not using their preferred child care setting cited cost as a major obstacle in accessing their preferred child care arrangement.

Grant Program

The original intent of the grant program was to achieve greater equity in the delivery of child care services within the City. The funds were intended to go directly into the operating budgets of the non profit child care providers, to address the difference between the fees parents can afford and the costs of running a high quality program. The grant monies were allocated to child care providers whose clients include children of parents in financial need,

children of visible minorities and children of parents with English as a second language. In order to ensure that the funds were directed into high need low income areas, it was recommended that such non profit child care operators meet one or more of the following criteria:

- Provide care in a geographic area of need;
- Charge fees at or below the city average.

The original grant program had three principles:

- The process should be accessible and user friendly;
- The process and priorities should be clearly stated;
- Proactive community outreach and assistance to the childcare society should be undertaken by staff.

In 1991, the first year of the grant program, the budget was \$350,000. In 2005, the Civic Child Care Grants budget is \$1,054,200. There are eight main grant programs within the annual grant program:

Category A

1. Inner City Sustaining
2. Program Enhancement
3. Bursary (added in 2003 by Council)

Category B

4. City-wide Childcare Support Services
5. Administration of City-owned Facilities

Category C

6. Program Development
7. Research and Innovation
8. Program Stabilization

The grant review only applies to Category A Grants. The total allocated budget for the Inner City Sustaining, Program Enhancement and Bursary Grants for 2005 was \$624,050.

Grant Review

As a result of the 2004 Child Care Grant process and feedback from grant applicants, Social Planning staff recommended to Council that there be a review of the existing Child Care Grants program with a view to streamlining the administrative requirements of programs for the grant application and reporting purposes. In July, 2004, Council directed staff to review grant categories and processes and report back with options for streamlining the administration of the Category A grants.

The review of the Inner City Sustaining, Program Enhancement and Bursary grants program had five objectives:

1. To harmonize the Grants program with the City's Childcare Strategy.
2. To facilitate equity and consistency of funding from year to year.

3. To assist with financial stability for programs over time.
4. To streamline the administrative requirements for grant recipients and applicants.
5. To increase accountability by setting consistent standards of quality and affordability across grant programs.

Based on the findings from the Child Care Grant review, staff recommended and Council approved, an operating grant tied to the City's annual budget allocation, based on licensed capacity for high need areas and linked to quality enhancement and affordability principle. For example, a licensed program would receive a set dollar amount for each space. The dollar amounts will be determined by the number of eligible spaces identified, program type and the approved grant annual Civic Childcare Operating grant budget each year.

DISCUSSION

Community Consultations

During the review stage, staff met with grant recipients of the Inner City Sustaining, Program Enhancement and Inner City Bursary Grants, to discuss the operating grant, criteria and the grant application process for 2006. Social Planning hosted three meetings over the past year to discuss various options and recommendations. The majority of grant recipients attended these meetings. Results of these discussions are summarized below:

Grant Criteria Eligibility

The three principles of quality, affordability and accessibility were reaffirmed among grant recipients. Eligible programs would receive grant funding to meet the principles of quality affordability and accessibility.

Quality

Applicants will be expected to submit quality enhancement objective(s) for the year and explain how they will meet these objective(s). For example, the quality objectives and required outcomes may include:

- Strengthening coordinated administration through the community hub model to increase administrative effectiveness among small non profits;
- Developing and implementing a quality improvement plan to increase the quality of the care provided;
- Providing a food supplement program (e.g. hot breakfast and lunch) including monthly menu plan based on sound nutritional planning and a staff schedule for food preparation to increase the nutrition of the children;
- Enhancing staff ratios to better serve high-need children.

Affordability

One of the original purposes of the grants program was to help programs lower fees. Program fees below City averages typically have been the criteria for determining eligibility. While child care providers agree that the principle of affordability is key, many participants stated that the City fee average does not adequately reflect affordability. With limited government

funding, keeping fees at or below City averages masks the true cost of care. In addition, it takes time for averages to increase after Provincial subsidy increases. Recently, the Provincial government increased their subsidy rates, yet the City average did not immediately reflect this. Programs are also reluctant to raise fees and become ineligible for City grants. In order to maintain a consistent approach to affordability, staff recommend maintaining the City average criteria; however, when City average fees are below the Provincial subsidy rate, the subsidy rate will be the benchmark. Alternatively, programs may set an objective to reduce fees by the value of the grant for all families.

Accessibility

Previous eligibility for the child care grants required programs to be located within an Inner City School catchment area. This requirement is not useful as the Inner City School designation changes frequently and many programs serve a profile of “inner city children” without being located near a designated school. Staff recommend giving grant priority to those programs listed as the five areas with the most vulnerable children based on the Early Development Instrument (EDI). Dr. Clyde Hertzman, an epidemiologist from UBC, has mapped out children’s readiness for kindergarten in all Vancouver neighbourhoods using the EDI. The EDI is a research tool completed by kindergarten teachers that assesses children’s readiness to participate in and benefit from school activities. The EDI measures children’s development in five areas:

- physical health and well-being,
- social competence,
- emotional maturity,
- language and cognitive development,
- communication skills and general knowledge

In addition to the EDI, staff would reference census data to determine high need communities (i.e. high percentage of low-income families, single parent families, immigrants and those with a foreign mother tongue). In addition to the EDI and census data, program profiles would also be considered.

Program Profiles

Profiles provide valuable statistical information to the programs and the City of Vancouver for planning and advocacy. They also determine eligibility for the grant. Programs must serve a significant percentage of children from families in three or more of the following categories to be eligible:

- children from single parent families,
- children who receive full or partial Provincial subsidy,
- children who receive full Provincial subsidy and the parent portion is paid by the Ministry of Children and Family Development,
- children from immigrant or refugee families,
- aboriginal children.

Programs will be required to report for informational purposes on:

- children who speak English as a 2nd language,
- children with extra support needs,
- children living within 2km of your centre,
- children living outside Vancouver,
- children with no child care subsidy and why,
- children pending Provincial subsidy approval,
- children on the waitlist in age groupings,
- total children in the program.

In previous years, programs had to serve a moderate to high percentage of families in two or more of the above categories to qualify for the Program Enhancement Grant. In order to qualify for the Inner City Grant, they had to meet the Program Enhancement Criteria and serve a significant number of the children designated as "at risk" by the Ministry for Children and Family Development or require extra family support and/or are considered to be living in high need environment, and provide care to a significant percentage of children whose parents are in receipt of child care subsidy. Staff recommend the above revision to streamline the eligibility process.

Rates

The discussion about the program rates is based on the premise that the number of spaces being funded and the amount of funding from Council will stay relatively consistent. If demand or funding changes, then rates could change or Council could adjust the budget.

Starting in 2006, the grant allocation will be tied to centre's licensed capacity, based on program type. Costings were conducted using licensed full-time equivalent space (FTES) measure. The FTES is useful to allocate funding consistently between the program types. For example infant/ toddler care is twice as expensive to deliver as three to five year old care; therefore, infant/ toddler care is costed at 2 FTES, preschool and licensed childminding is costed at .33 FTES, and out of school care at .5 FTES.

Staff recommend programs will receive a range of funding per full-time equivalent space. Programs were advised in the last consultation they may experience an increase or decrease in funding during the transition phase. Recipients were given options such as staff seeking Council's support for reserving a portion of the grant funding to use as a top up for those experiencing significant decrease from 2005 to 2006. The feedback was that grant recipients wished to simplify the process and begin the new system for 2006. Grant recipients stated that if they had advance notice, they could budget for this potential variance. Staff committed to sharing estimated 2006 rates with programs by the end of November, 2005.

Application Process (See APPENDIX A)

Staff will revise the application process to reflect changes in grant criteria and administration. Childcare providers will be required to submit one application form (as opposed to three). Applicants will be expected to submit objectives of affordability and quality for their programs and outcome measures. They will also be required to submit a financial plan for their program, including a breakdown of administration, program costs,

facility costs and staff wages (See APPENDIX B). Application forms will also include room for any trends or topics the programs wish to comment on.

FINANCIAL IMPLICATIONS

There are no financial implications for implementing the recommendations.

CONCLUSION

Staff recommend Council approve the revised grant criteria for quality and affordability for the annual Child Care Operating Grant.

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INFORMATION SHEET, 2006
2006 CIVIC CHILDCARE OPERATING GRANT

WHAT IS THE CIVIC CHILDCARE OPERATING GRANT?

In 2005, Vancouver City Council approved combining the Inner City Sustaining, Program Enhancement and Inner City Bursary Grants into the Childcare Operating Grant. The revised operating grant is to improve the overall quality and affordability of care in programs that are most in need. This is one time operating money and is not for capital expenditures. Eligible objectives are:

- Assisting programs which are serving low and modest income families to reduce fees
- Strengthening coordinated administration through the community hub model
- Developing and implementing a quality improvement plan
- Providing a food supplement program (e.g. hot lunch and breakfast)
- Enhancing staff ratios to better serve high-need children

CAN MY ORGANIZATION APPLY?

Your organization can apply for a grant if:

- It serves a significant % of children from families in three or more of the following areas:
 - children from single parent families
 - children who receive full or partial provincial subsidy
 - children who receive full provincial subsidy and the parent portion is paid by the Ministry of Children and Family Development
 - children from immigrant or refugee families
 - aboriginal children
- Clearly serves a high need, 'at risk' population/neighbourhood as determined through census information, Early Development Instrument data and program profiles.
- Charges user fees at or below the City average or provincial subsidy rate
- Is working closely with other neighbourhood agencies to meet the needs of inner-city families
- It is a non-profit society in good standing with the Registrar of Companies and already provides child care programs in the City of Vancouver
- It has an active governing body composed of volunteers. This governing body's main responsibility shall be program and policy development and acquisition of other funding from various sources
- It meets the City of Vancouver requirements of having the following or similar clauses in its constitution or by-laws; a) staff members cannot be voting members of either the Board of Directors or Executive of the society and b) no director shall be remunerated for being or acting as a director, but a director may be reimbursed for all expenses necessary and reasonably incurred by him/her while engaged in the affairs of the society
- It must extend its services to the general public in the City of Vancouver, and shall not exclude anyone by reason of race, religion, special need or ethnic background
- It does not act in the capacity of a funding body for any other organization
- It involves parents of the children in its program(s) and the child care staff in decision-making about its child care program(s)

- Has policies and practices in place that are respectful of and responsive to the diverse needs of the families it serves and
- Has met grant conditions from previous years

WHAT ARE THE PRIORITIES FOR 2006?

We strongly encourage cooperation/collaboration among child care centres and other child-serving agencies in your Network¹ area. We are particularly interested in supporting non profit childcare providers who work collaboratively with other children's services, to provide a service continuum, which are of quality and are family centred. Other factors that will be considered when reviewing grants include: the financial stability of the sponsoring organization, the role of parents and volunteers, community support, contribution to the quality of child care in the broader community, collaboration with other social service and community organizations, use of existing community services, and your organization's management type (parent-run or multi-service organization), stability and effectiveness.

HOW CAN WE APPLY?

Please submit your Civic Childcare Operating Grant Application to the Child Development Coordinator (see address on the last page).

CHECKLIST: Have you enclosed the following attachments?

1. A copy of the Society's certificate of incorporation (if not submitted previously)
2. A list of current Board members including addresses and phone numbers
3. A copy of the Society's last annual report and previous year's minutes
4. A copy of the Society's 2005 year-end Statement of Operations and Statement of Financial Position
5. If you received a childcare grant in 2005, submit a copy of a completed 2005 Program Enhancement/Inner-City Grant Financial Statement(s) and any evaluation documentation
6. A copy of the childcare program's staff salary schedule and fee schedules
7. A completed interview schedule form

Please note that once you submit your application and supporting attachments, they become public documents. Information provided may be used for statistical reporting purposes. Incomplete applications will not be considered.

HOW MUCH MONEY CAN WE APPLY FOR?

IF WE GET MONEY THIS YEAR, WILL WE GET IT AGAIN NEXT YEAR?

All City grants are only for ONE year. It is necessary to apply each year and your application will be reviewed in light of Council's priorities for the year. There is no guarantee of funding beyond this year.

WHO MAKES THE DECISIONS ABOUT THESE GRANTS?

The City's Child Development Coordinator will arrange a site visit with all grant applicants. **You will need to ensure that a representative from the board of directors and the senior administrator attend the site visit to answer questions and provide additional**

¹ Network = one of the 6 designated services areas within Vancouver as defined by the Ministry of Children and Family Development

information/clarification, where necessary. Attendance of the board chair or treasurer is essential to your grant application process/success.

City Council makes all grant decisions. Recommendations are made by the Social Planning Department, in particular, the Child Development Coordinator. As a part of the recommendation process, the Child Development Coordinator consults with other people and organizations in the community before reporting to Council in June/July. A 3-member review team, may be comprised of two Social Planning staff and a Vancouver Coastal Health Authority/Community Care Facilities Licensing staff, will review applications and provide input to the Child Development Coordinator. A copy of the Social Planning Department's recommendations will be sent to all applicants, along with a notice of the City Services and Budget Committee meeting, at which the report will be discussed. Following the meeting all applicants will be notified of Council's decision by the City Clerk's Office. Successful applicants will receive their monies by September, 2006.

CAN I APPEAL THE STAFF RECOMMENDATION?

You will receive a letter from the City telling you what has been recommended to Council regarding your grant. If you wish to appeal, you can come to the Committee Meeting at which Council will be voting on the recommended Childcare grants and speak directly to Council about your concerns.

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If you would like more information about the Civic Childcare Operating Grant or the application, please call

Coralys Cuthbert at 604-871-6044 or Suzy Blown 604-873-7764. This office can be contacted:

By mail: By in-person visits/delivery:

Social Planning Department Social Planning Department
453 West 12th Avenue Suite 100 - 515 West 10th Avenue
Vancouver, B.C. V5Y 1V4 Vancouver, B.C. V5Z 4A8

FINANCIAL SUMMARY

Financial Information Summary - for the licensed childcare program for which you are applying for 2006 operating grant funding, attach 2006 Budget and a year-end statement for 2005.

2005 BUDGET FOR PROGRAM TO WHICH GRANT WILL APPLY

Date of Year-End _____	2006 Budget (For Fiscal Yr.)	2005 Actual	As a % of 2005 Budget*
REVENUE			
Parent Fees - Direct Contribution			
Provincial Childcare Subsidy			
Provincial Childcare Funding-Childcare Operating Grant for 2004			
Inclusion Contract Funding			
Special Needs - Child Specific Funding			
City of Vancouver Funding- Childcare Grant - Endowment - Other COV Childcare \$			
Gaming			
Fundraising			
Transfer from Reserves			
Miscellaneous Revenue			
TOTAL REVENUE			
EXPENSES			
1. Labour			
Salaries (exclude Janitorial/Maintenance)			
Benefits			
Other - Specify			
(A) Sub-Total Salaries & Benefits**			
2. Facilities/Maintenance			
Janitorial (Supplies/Labour)			
Utilities (Exclude Telephone)			
Rent			
Taxes			
Other Facility Costs - Specify (e.g. Maintenance/repairs)			
(B) Sub-Total Facility Costs**			
3. Program Costs			
Supplies/Toys/Equipment/Field Trips			
Food Costs			
Transportation			
Other - Specify			
(C) Sub-Total Program Costs**			

4. Administration Costs			
Advertising			
Bank Service Charges			
Association Fees			
Professional Fees (Accounting, Legal)			
Criminal Reference Check			
Telephone			
Insurance			
Mileage/Staff Travel			
Bad Debt			
Fundraising Costs			
Management Fees			
Office Miscellaneous			
Transfer to Reserves			
Other - Specify			
(D) Sub-Total Administration Costs			
TOTAL EXPENDITURE** (A + B + C + D)			
NET SURPLUS (DEFICIT)			

5. Estimated cost/benefit of in-kind contributions (e.g. Admin support, rent subsidy, maintenance)_____

* (e.g. Parent Fees as a % of Total 2004 Actual Budget, e.g. \$160,000 ÷ \$317,500 = 50%)

Complete this section or attach 2006 salary scale information

POSITION	SALARY SCALES (Pay Grade)	HOURLY WAGE
Director		
Coordinator/Admin.		
Supervisor		
ECCE - Certified		
Teacher Assistants		
Cook		

Benefits Breakdown

Benefits for 2006	% (applied to total salary costs)*
CPP	
Superannuation/Pension Plan	
Employee Insurance	

WCB	
LTD	
MSP	
Extended Health	
Dental Care	
Life Insurance	
Other - Specify e.g. RRSP	

* EXAMPLE: CPP / Total Salary Costs ($\$7,620 \div \$254,000 = 3\%$)