



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 12, 2006
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VanRIMS No.: 05-5000-10
Meeting Date: June 27, 2006

TO: Vancouver City Council
FROM: Director of Social Planning
SUBJECT: 2006 Childcare Endowment Reserve Report

RECOMMENDATION

- A. THAT Council authorize a payment of \$1,650 per space, per year, as an operating subsidy, up to a total of \$99,000, to the Vancouver Society for Children's Centres for the 60 infant/toddler spaces at Dorothy Lam Children's Centre, Quayside, and Library Square, for the period January 1, 2006 - December 31, 2006. Source of funds: City Childcare Endowment Reserve;
- B. THAT Council authorize payment of \$1,650 per space, per year, as an operating subsidy, up to a total of \$19,800, to the Vancouver Society for Children's Centres for 12 infant toddler spaces at Shaw Tower Children's Centre, for the period January 1, 2006 - December 31, 2006. Source of funds: City Childcare Endowment Reserve;
- C. THAT Council authorize payment of \$1,650 per space, as an operating subsidy, up to a total of \$39,600 per year, to the Vancouver YWCA for the 24 infant/toddler spaces at the Leslie Diamond Centre, for the period January 1, 2006 - December 31, 2006. Source of funds: City Childcare Endowment Reserve;
- D. THAT Council authorize payment of \$1,650 per space, as an operating subsidy, up to a total of \$39,600 per year, to Collingwood Neighbourhood House, for the 24 infant/toddler spaces for the period January 1, 2006 - December 31, 2006. Source of funds: City Childcare Endowment Reserve;

- E. THAT Council authorize payment of \$1,650 per space, as an operating subsidy, up to a total of \$13,200, to Vancouver Society for Children's Centres - Bayshore Children's Centre for the 24 infant/toddler spaces, for the period September 1, 2006 - December 31, 2006. Source of funds: City Childcare Endowment Reserve;
- F. THAT Council authorize payment of \$2,000 per space over two years for start-up funds up to \$37,000, for the period January 1, 2006 to December 31, 2006, to the Vancouver Society for Children's Centres - 37 space Shaw Tower Children's Centre. Source of funds: City Childcare Endowment Reserve;
- G. THAT Council authorize payment of \$2,000 per space, over two years for start-up funds up to \$20,416 for the period August 1, 2006 to December 31, 2006, to the Vancouver Society for Children's Centres - 49 space Bayshore Children's Centre. Source of funds: City Childcare Endowment Reserve.

GENERAL MANAGER'S COMMENTS

The General Manager recommends approval of A, B, C, D, E, F, and G.

COUNCIL POLICY

Approval of grant recommendation requires eight affirmative votes.

The Civic Child Care Strategy, approved by Council in October, 1990, recognized the need to ensure the availability of start-up and operating subsidies to sustain those new childcare facilities being opened in high-density neighbourhoods as a result of rezoning negotiations or City-initiated projects. In May, 1991, Council approved the creation of the Childcare Endowment Reserve.

On December 15, 1994, Council approved the terms and conditions of the Childcare Endowment Reserve, including eligibility criteria and the process of accessing these funds.

In April, 1996, Council clarified that the City Childcare Endowment Reserve was to be established as an interest-bearing fund.

In January, 2000, Council approved a strategy, in principle, of winding down the existing City Childcare Endowment Fund over the next ten years, as outlined in the January 10, 2000, Administrative Report. Council approved the maximum rate for the infant/toddler operating subsidy at \$1,650 per licensed infant/toddler space, per annum, for the period January 1, 2001 - December 31, 2002, from the Childcare Endowment Reserve. In the 2004 Childcare Endowment Reserve Report, Council directed staff to report back with a plan for sustainability of the Childcare Endowment Fund.

In 2003, Council approved the financing growth policy specific to Community Amenity Contributions (CAC), which states: "as the purpose of CACs is to secure amenities through rezonings, and rezonings are localized changes to land use, the amenities provided should serve the immediate site and/or community in which the rezoning occurs.

In March, 2004, Council signed the Joint Civic Childcare Protocol, which committed to maintain and expand childcare spaces by 5%.

PURPOSE

The purpose of this report is to authorize payment of Endowment Grants for the Vancouver Society of Children's Centres (VSOCC), Collingwood Neighbourhood House and YWCA, as per the approved existing Operating Agreements, and approval of the start-up funding for Shaw Tower and Bayshore Children's Centre to Vancouver Society of Children's Centres. This contribution will offset the costs of 144 infant/toddler spaces by \$1,650, per space, per year, for families in high density City-owned child care facilities.

BACKGROUND

While child care is a Provincial responsibility, the City of Vancouver has had a long-standing policy and commitment that supports the development of child care spaces in the City. Child care is recognized as a key support to economic prosperity, healthy child development and sustainable communities. Overall, 14% of children under the age of thirteen have access to either full or part-time licensed child care in Vancouver. However, care for infants and toddlers is the least available and/or affordable.

The Childcare Endowment Reserve was created in 1991 to ensure the availability of start-up and operating subsidies needed to sustain those new child care facilities being opened in high-density neighbourhoods as a result of rezoning negotiations or City-initiated projects. It was intended to offset the high costs of operating infant/toddler spaces which are primarily due to staffing and operating costs in high-density buildings. Start-up funds were created to offset pre-opening costs and those associated with the first two years of operation, based on the assumption that programs would not immediately be at full capacity.

In the existing three organizations (VSOCC, YWCA and Collingwood Neighbourhood House) currently receiving Childcare Endowment funding, the actual cost of care, per space, per year, ranges from \$16,920 to \$21,444, or \$1,410 to \$1,787 per space, per month. Fees range from \$990 to \$1,155 per month in these programs. The difference between the actual cost and the parent fee is made up, in part, by a Provincial Care Operating Fund (CCOF) of, on average, \$220 per month, per space. The City's Childcare Endowment Fund also assists, in part, with the shortfall. Organizations offset the remaining operating deficits through operational funds from other programs or fundraising.

Operators have expressed concern about their ability to deliver infant and toddler care should the Endowment Grant be eliminated. In 2003, Council reconsidered their earlier strategy of winding down the Endowment Fund and requested that staff report back on the status of the fund, recognizing that infant/toddler care in City-owned facilities could not be sustainable without the Endowment Grant. The report back to Council is forthcoming in a separate report.

DISCUSSION

The existing three organizations that receive Endowment Grants, continue to depend on City support to maintain spaces. In addition, the City continues to extract Endowment contributions, where possible, for new developments and to expand the number of licensed child care spaces in City-owned facilities, particularly infant/toddler spaces (e.g. Homer St, Bayshore, International Village, Coal Harbour).

Analysis of the existing Childcare Endowment Reserve suggests that program grants could be maintained at the current level until 2020, and that the existing Endowment can also support programs scheduled to open in the next few years for which an Endowment was negotiated. Opportunities to expand the existing Endowment Reserve are under consideration and will be brought back to Council for decision in the Fall.

FINANCIAL IMPLICATIONS

The following Table 1 sets out the Approved and Actual 2005I payments and 2006 Proposed Payments for the infant/toddler operating subsidies for: the VSOCC infant/toddler child care programs - Library Square (12 spaces), Dorothy Lam (24 spaces), Quayside (24 spaces), Shaw Tower (12 spaces) and Bayshore (12 spaces); Collingwood Neighbourhood House Society (24 spaces); and YWCA (24 spaces), from January 1, 2006 to December 31, 2006. In addition, Table 2 shows the Start-up Costs for the Shaw Tower Children's Centre payable to VSOCC for 12 spaces (previously approved by Council) and for Bayshore Children's Centre (24 spaces August - December, 2006).

Table 1

| Program | Approved and Actual 2005 | Proposed 2006 |
|----------------|--------------------------|----------------|
| Library Square | 19,800 | 19,800 |
| Dorothy Lam | 39,600 | 39,600 |
| Quayside | 39,600 | 39,600 |
| Shaw Tower | 6,600 | 19,800 |
| Bayshore | N/A | 13,200 |
| Leslie Diamond | 39,600 | 39,600 |
| Collingwood | 39,600 | 39,600 |
| Total | 184,800 | 211,200 |

Table 2

| Start -up Costs | January 1, 2006 to December 31, 2006 |
|----------------------------|--------------------------------------|
| Shaw Tower | \$37,000. |
| Bayshore (Aug to Dec only) | \$20,416. |
| Total Start Up | \$57,416. |

Currently, the balance of the Childcare Endowment Fund is \$5,832,020.

CONCLUSION

The Childcare Endowment Reserve Funds continue to be required to support the VSOCC infant and toddler programs at Dorothy Lam (24 spaces), Quayside (24 spaces) Library Square (12 spaces), Shaw Towers (12 spaces) and Bayshore (24 spaces - 4 months); the infant/toddler programs at YWCA - Leslie Diamond Centre (24 spaces) and Collingwood Village (24 spaces). Social Planning also recommends authorization of start-up payments of \$2,000 per space over twenty-four months for Shaw Towers and for Bayshore (dates adjusted for 5 months).

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