



# Childcare Reserve, Current Actions and Next Steps for CoV in Early Care & Learning

Social Development  
April 24, 2013

# City of Vancouver & Childcare

- Over past 25 years City has facilitated creation of 2900 licensed childcare spaces for all ages in 53 facilities
- Seen as a municipal leader and looked to for guidance from other municipalities in BC and across the country
- Organization for Economic Development & Cooperation (OECD) favorably recognized the quality of programs and physical environments of childcares in Vancouver(2004)

# Why get involved

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# Investing in Childcare & Early Childhood

## BENEFITS:

- For at risk children, earlier intervention means better outcomes
- Early Childhood (0-6) critical for brain development, learning, social, physical & emotional outcomes
- Readiness for school a strong predictor of health, education & social outcomes as an adult
- Vancouver Economic Action Strategy identifies need for “enhanced affordability and availability of childcare to attract, retain and support talent”

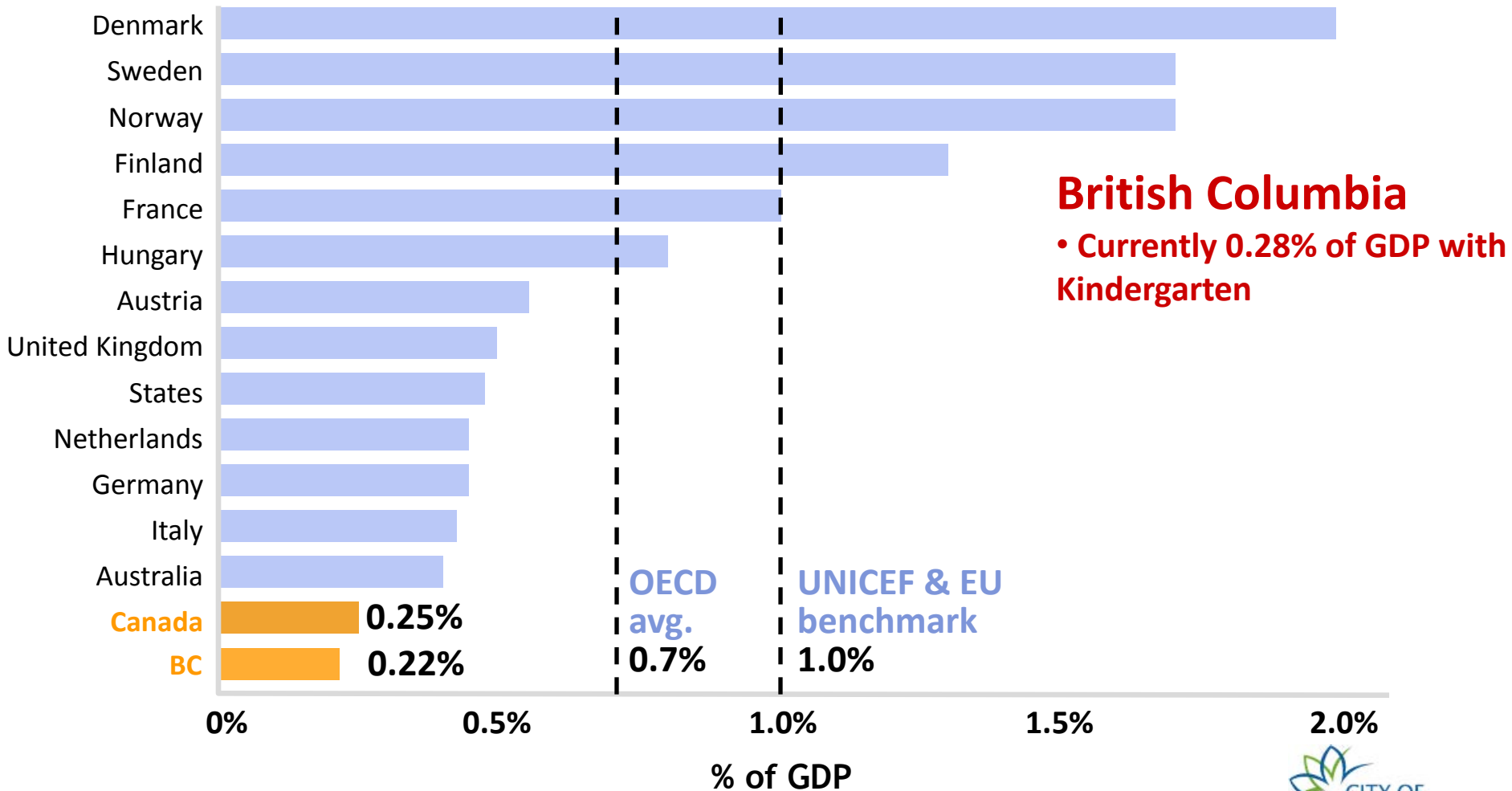
## CHALLENGES:

- 36% of Vancouver’s children vulnerable & not school ready
- Childcare unaffordable for many parents - 8,000 single low income parents in city
- Gap in senior government funding framework and investment
- Significant gap exists in supply of childcare spaces

### Sources

Fairholme (2010), “Does Canada Work for All Generations?” UBC-HELP 2011, Cost of Poverty in BC (July 2011), EDI: UBC-HELP 2011/12 Interim report

# International/National GDP Spending on Early Care and Learning <sup>4</sup>

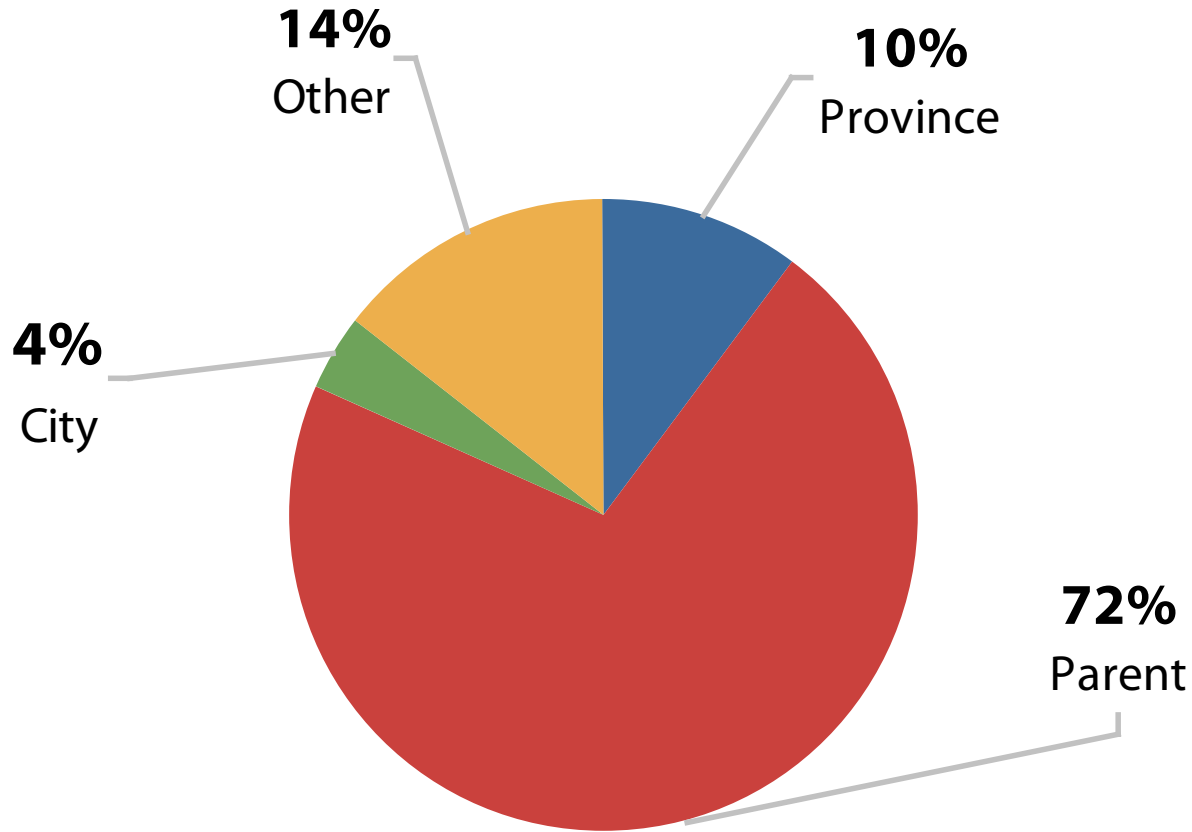


Source: Adapted from Starting Strong II: Early Childhood Education and Care, September 2006, p.11

# Provincial Role in Child Care

1. Regulates child care spaces and licensing for group and family care
  - Full day infant, toddler, 3 to 5 year olds
  - Part time preschool (2 hours, 2 or 3 days/week, 3 to 5 year olds)
  - Before and after school care (5-12 year olds)
  - Approx. 11,500 licensed spaces in Vancouver
2. Provides funding for operating, minor capital, and subsidies for low-income families
  - Approx. \$30M in Vancouver

# Funding Sources for Childcare Operating



# Vancouver child population and % of children served<sup>7</sup>

## All Licensed Childcare Spaces including part time Preschool (3 -5 yrs)

	Infant/ Toddler (Under 3 yrs)	3 -5 yrs	School Age Group Care (5-12 yrs)	Totals
Number of Children	15,460	9,420	36,705	61,585
Number of Spaces	1,152	5,650	3,903	11,558**
% of children served	7.5%	88%	10.6%	19%

## Childcare Spaces without part time Preschool (3-5 yrs)

Number of Spaces	1,152	2,648	3,903	7,703
% of children served	7.5%	28.1%	10.6%	12.5%

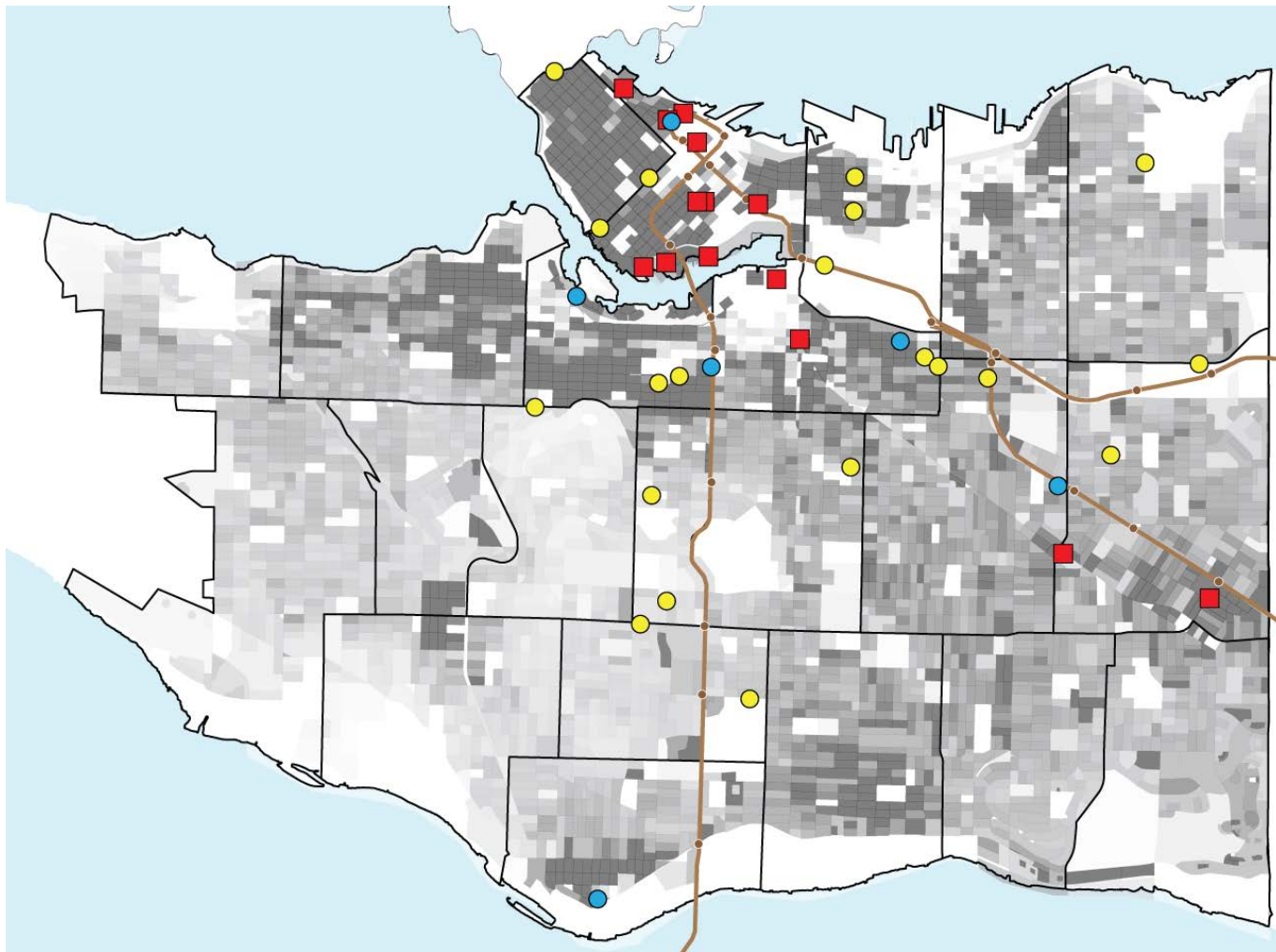
Note: Ages of children in Family childcare are not tracked - estimates used for this table.

\*\*including for-profit, FCC and "other licenses"

Source: Westcoast Child Care Resource Centre, 2012, Census 2011

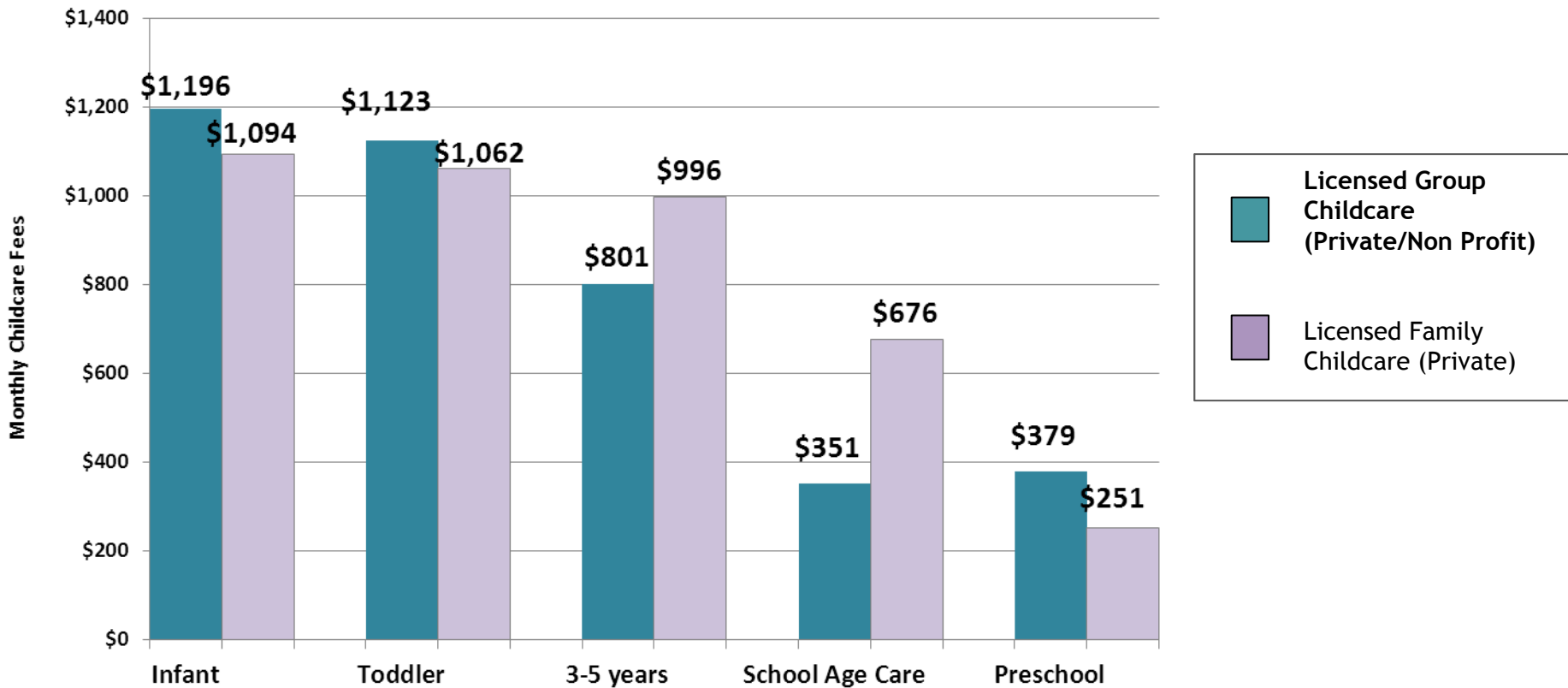


# Growth of group infant toddler (0-3) spaces



- Created prior to 1994  
98 spaces
- Receiving Reserve funds  
276 spaces
- Created since Reserve, no Reserve CAC contribution  
310 spaces  
*(of these, 50% spaces receive other City operating grant)*

# Average Monthly Parent Fees in Vancouver



## Source:

Westcoast Child Care Resource and Referral Fee Survey, 2011 and 2012  
Licensed Group & Family Child Care

# Progress in Creating Childcare Spaces

2,900 licensed group spaces facilitated by City in 53 facilities:

- Infant/toddler: 560 = 50% of all spaces in Vancouver
- 3 to 5 year olds: 1070
- Preschool: 714
- School age: 584

2009 - 2011 Target: 300 new spaces

Achieved: 453 new spaces

2012 -2014 Target: 500 new spaces

Progress to date:

- 153 spaces built
- 111 under construction
- 199 committed to date
- More projects anticipated

# Range of City Tools to Create New Spaces and Support Operations

Tools for Building Childcare Spaces	Use of Funds	Average Annual Spend
Tax supported - Capital	Major maintenance, upgrade or replacement existing facilities, new facilities, and grants to operators for maintenance.	\$0.86 Million
Community Amenity Contributions (CAC)- In Kind	Building - Construction	\$ 4 - \$5 Million
DCLs	Land purchase, building construction	\$1.4 Million
Tools for Childcare Operating	Use of Funds	
Community Amenity Contributions (CAC) - Cash	Transfer to Reserve for Start - Up and annual operating grants; intended to provide operating to spaces tied to a CAC from a development	\$1.1 Million
Tax Supported Operating	Social Grants: Childcare Enhancement Grant provides annual operating to programs with high% of vulnerable children; City Wide Admin Grant	\$1.1 Million (annual)
City owned Assets	Subsidized leases to non profit childcare operators	

# Childcare Reserve History

## Reserve History

- **Established 1994**
- **Source of funds:** CAC cash contributions
- **Purpose:**
  - Focus on new developments in high density neighbourhoods
  - Offset costs of operating

# Childcare Reserve Grant Types

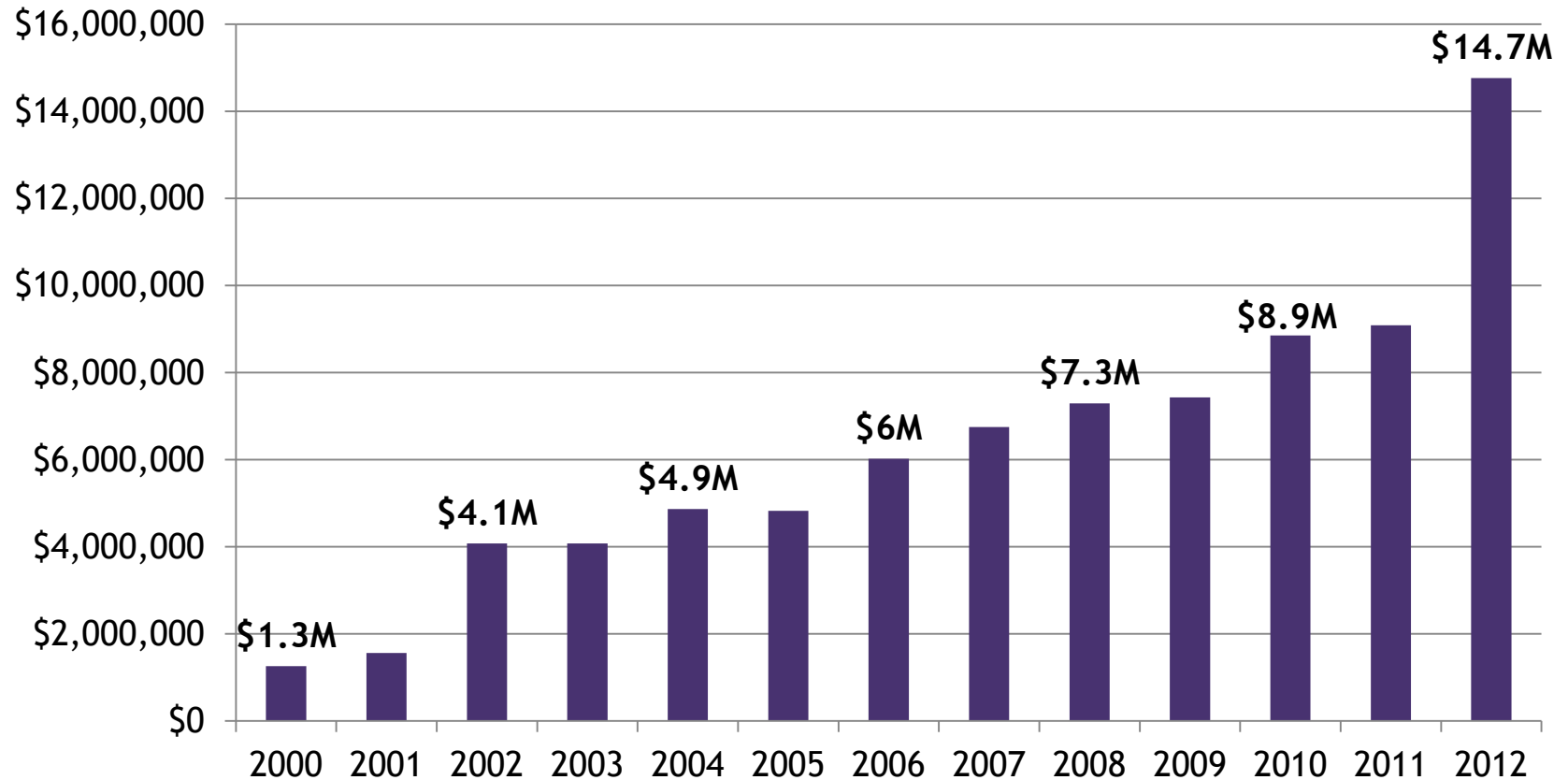
## A. Start Up Grant - ONE TIME

- Assists with costs of opening a new facility: hiring & training staff, gradual enrolment, policy & procedures
- Maximum \$2,000 per space
- Since 1994, 657 spaces overall have benefitted

## B. Infant/Toddler Grant (0-3 years) - ANNUAL

- Offsets higher cost of staff-child ratios for young children in infant/toddler spaces (0-3years)
- Allocation based on \$1,650 per space/year
- 14 programs, serving 276 spaces

# Childcare Reserve: Balance over time



Source: CoV Financial Services, 2012

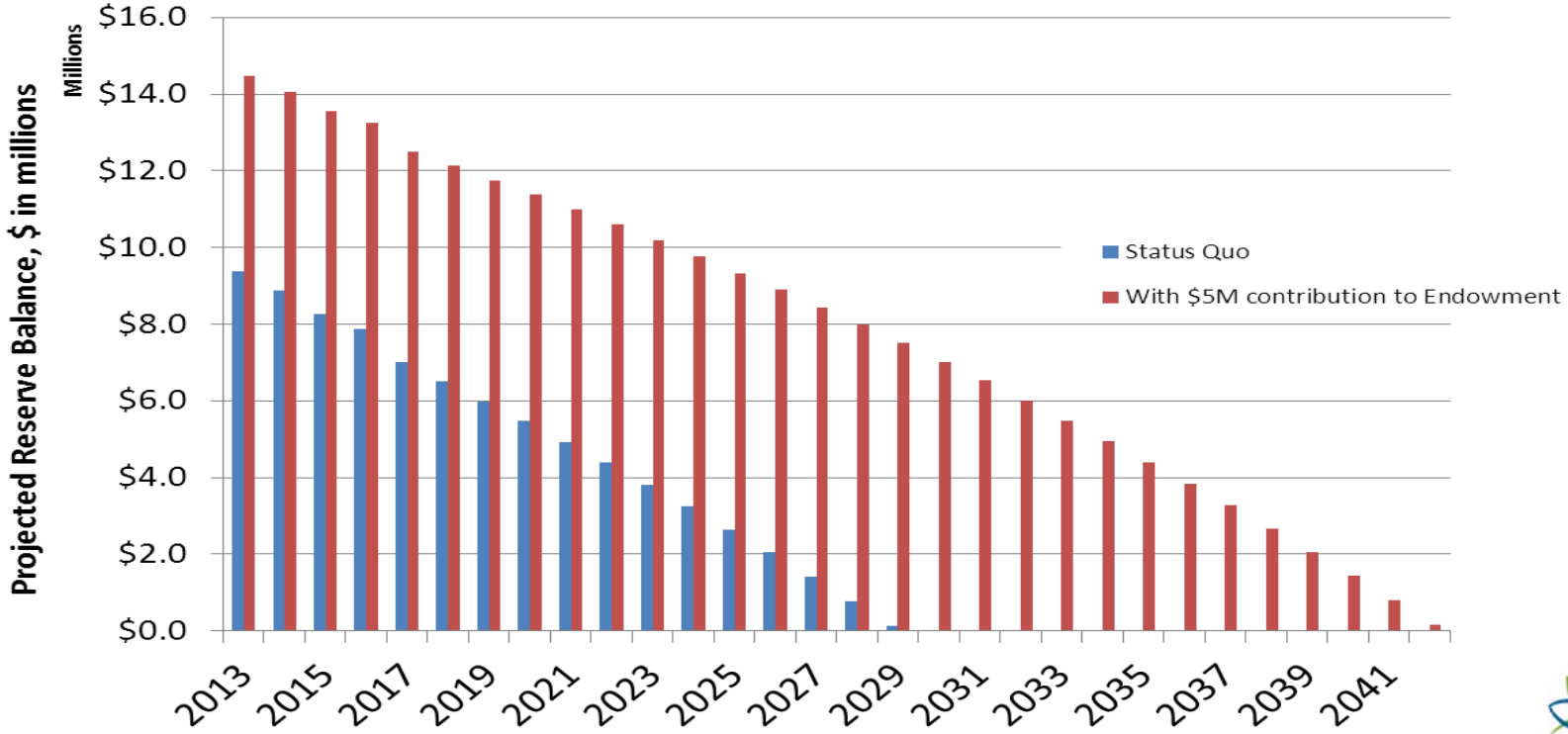
# Current State of Child Care Reserve

- \$14.7 million balance at the end of 2012 after \$5 million contribution from operating fund
- **Affordability** of 312 infant-toddler child care spaces *currently* relies on the annual subsidy grants (approx. \$540K/year) provided from Reserve
  - Annual grant represents ~ 11% reduction in infant-toddler fees; inflationary adjustments not typically made
- New CAC funded spaces also bring expectation of operating grant subsidy to make new spaces affordable
  - Approx. \$0.8M to subsidize 12 new spaces @ \$1,650/year for ~35 years
- Reserve does not comprehensively fund ongoing capital maintenance on all existing city childcare facilities (53)



# Adequacy of existing reserve balance to fund annual grant for 312 existing spaces

- Current reserve balance sufficient to sustain the current annual subsidy for 312 existing childcare spaces until 2041 (28 years)
- Extra \$5M will extend subsidy for current spaces funded from reserve for additional 10 - 12 years
- Incremental spaces will require more equity in reserve for sustained support



# Considerations

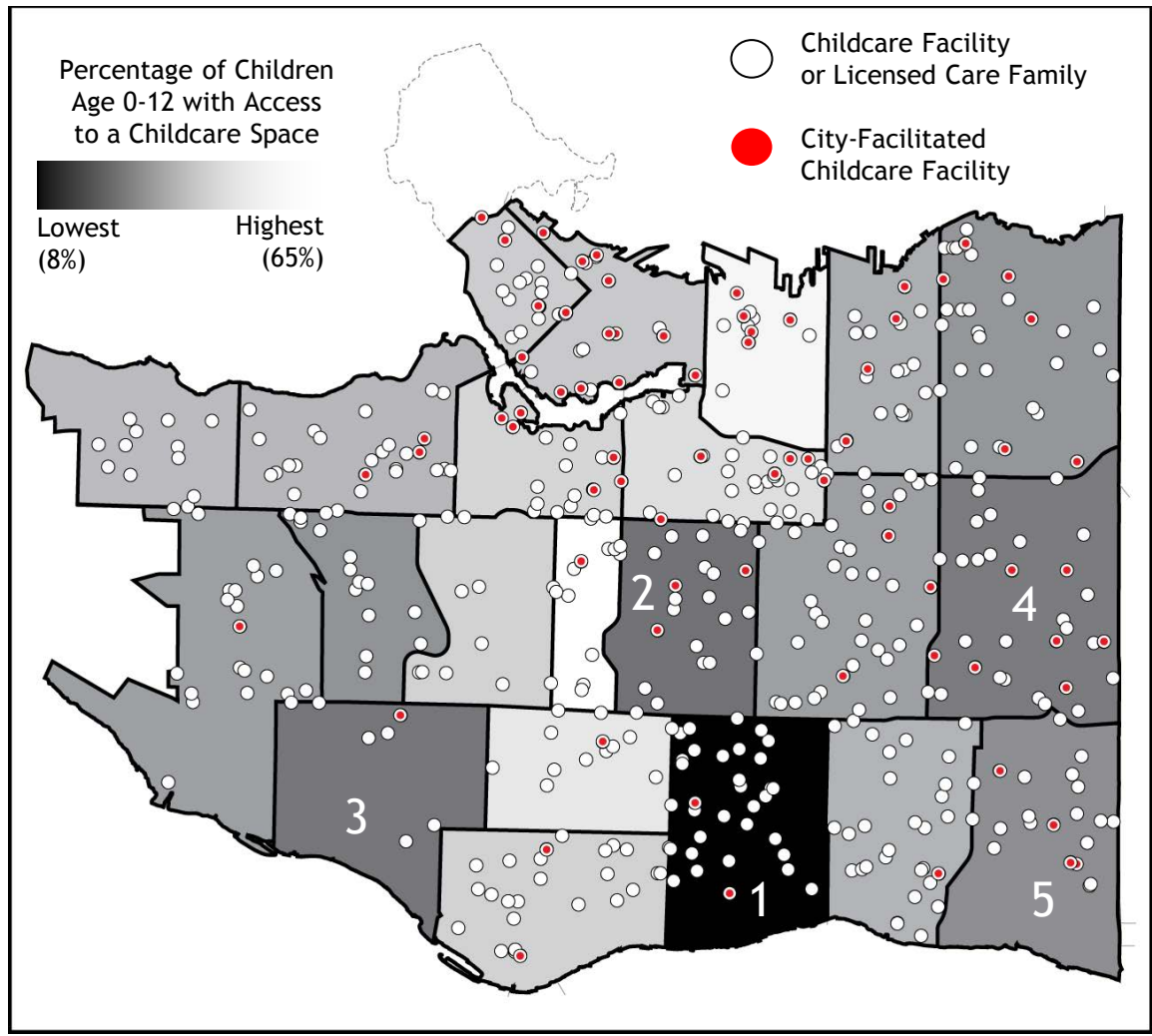
Over next several years, alternatives to the current model to be considered to enable ongoing support for childcare operations beyond expected Reserve timeline, including:

- Work with other levels of Government to seek other funding sources for subsidies of childcare operations
- As alternative subsidized models are identified, redirect existing Reserve to Capital Maintenance which will be needed for existing 53 childcare facilities.
- Consider increase to Reserve to extend timeframe and/or contribute to capital maintenance through tax supported contributions
- Consider reduction of subsidy over time to extend timeframe of subsidy program

# Summary

- Council has been a key leader in supporting childcare
  - Clear direction and targets
- Childcare Reserve and other funding tools has had a significant impact on childcare resources and children in Vancouver
- City has effectively leveraged numerous mechanisms to fund capital and operating subsidies - Reserve has played a key role
- Demand is still far outpacing supply
  - Large number of children are vulnerable & not school ready
  - Geographic match of spaces to need is poor
  - Cost is still too high for many families

# Children per space by Local Area and location of all licensed childcare spaces in Vancouver



Five most underserved local areas:

Local Area	% Children with Childcare
1. Sunset	8%
2. Riley Park	12%
3. Kerrisdale	12%
4. Renfrew-Collingwood	12%
5. Killarney	14%

# New Strategies Going Forward

## Goals:

- Continue to enhance opportunities for leverage - new partners, new tools
- Find ways to enhance affordability
- Match geographic need to new spaces
- Focus on priority populations (e.g. urban Aboriginal, Immigrant, low income)
- The most cost effective opportunities to create child care spaces, including retrofitting existing space
- Find ways to refurbish old childcare infrastructure

# Actions to Enhance Leverage: recent examples

## New Partners: city capital grants:

- Japanese Language School: provides 25 full time childcare spaces for 3-5 year olds and 40 preschool spaces
- Aboriginal Mothers Centre 25 spaces for 3-5 year olds

## New formats for childcare through development:

- Rental units constructed for “in home”/family day care: 2 units @ #1 Kingsway; 2 units @ Athlete’s Village; 1 unit @ Olympic Village - ~25-30 spaces

## Leveraging city assets:

- Strathcona Library & YWCA social housing partnership
  - Mother/child day program in social housing facility

# Actions to Enhance Leverage: recent examples

## New Partner/ New Focus -

- Memorandum of Understanding between City and Vancouver Coastal Health: Pilot project to provide supported to high risk, low income, first time mothers

## New Partner/More Assets/Shared funding -

- City, Park Board, Library Board & Vancouver Board of Education (VBE)- delivering existing assets for childcare spaces:
  - 59 before/after school spaces through City-funded retrofit of 4 elementary school sites: Renfrew, Collingwood Annex / Graham Bruce, Macdonald, and Sir Wilfred Grenfell
  - Examining options for more retrofits across VBE, PB, VPL facilities

# Thank You

- Community partners & child care operators
- Joint Childcare Council
- Senior Government Partners - Vancouver Coastal Health, Vancouver Board of Education, Ministry of Child and Family Development
- Staff across a range of civic bodies and departments: Social Development, Finance, Facilities, Planning & Development Services, Park Board & Library Board