



ADMINISTRATIVE REPORT

Report Date: April 9, 2013
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VanRIMS No.: 08-2000-20
Meeting Date: April 24, 2013

TO: Standing Committee on Planning, Transportation and Environment
FROM: Managing Director of Social Development
SUBJECT: 2013 Childcare Reserve Grants

RECOMMENDATION

- A. THAT Council authorize payment of 3 Start-up Grants of up to \$137,000 , as outlined in Table I, for the period January 1 - December 31, 2013. Source of funds is the Childcare Reserve.
- B. THAT Council authorize payment of 17 Infant/Toddler Operating Grants of up to \$538,395 , as outlined in Table II, to support 312 spaces for the period from January 1 - December 31, 2013. Source of funds is the Childcare Reserve.

Approval of grant recommendations requires eight affirmative votes.

REPORT SUMMARY

This report seeks Council's authorization to release the following grants:

- \$137,000 in start-up funding to support 3 non-profit childcare operators with project management, staffing and gradual enrolment costs associated with opening new centres at City Gate II, Terry Tayler and Woodward's, and
- \$538,395 to support the ongoing operation of 312 infant/toddler spaces at 17 centres.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In 1990, Council approved the Civic Childcare Strategy identifying the need to provide start up and operating supports to sustain new childcare facilities opening 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 (now referred to as the Childcare Reserve).

On December 15, 1994, Council approved the Reserve's term and conditions, including eligibility criteria.

On April 7, 2009, Council directed staff to undertake a review of the Childcare Reserve.

In December 2012, Council directed staff to consider an allocation of up to \$5M to the Childcare Reserve from operating surplus to contribute to long term viability, to meet demands resulting from increase in space/facilities.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

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

REPORT

Background/Context

The Childcare Reserve was set up in 1991 to provide funding to help offset the high cost of infant and toddler care in facilities located in high density and/or new and emerging neighbourhoods. The eligibility criteria was approved by Council in 1994. The number of licensed group infant/toddler spaces supported by the Childcare Reserve has grown from 108 spaces in 2001 to 276 in 2012. In addition, 657 licensed group spaces have benefitted from the Reserve start up grant since 1994.

Two Types of Grants

Start-up Grant - Start-up funding is provided up to \$2,000 per space and is pro-rated over 24 months, with the first payment released about a year in advance of the childcare program's actual opening date. These grants support the costs associated with opening a new facility, including project management during the construction phase, costs associated with hiring and training staff, developing policies and procedures, and gradual enrolment.

Infant/Toddler Grant - The Infant/Toddler Grant offsets the higher cost of staff-to-child ratios required for very young children. Funding is provided up to \$1,650 per space on an annual basis. Payments will be released upon approval of this report and then reconciled based on the organization's fiscal year end, reporting out on 12 months of operation. The Vancouver Society of Children's Centres (VSOCC) operates a total of 554 spaces, including the largest number of infant/toddler spaces in Vancouver. 192 of VSOCC's infant/toddler spaces will be funded through this grant.

Viability of Childcare Reserve

In December 2012, Council recognized the need to improve the long term viability of the Childcare Reserve to address the increased demands resulting from new spaces and facilities. As such, Council directed staff to consider an allocation of up to \$5M from the 2012 operating surplus, after appropriate allocation to statutory and other

essential city reserves. As reported in the 2012 Annual Financial Statements, \$5M was transferred from the year end operating surplus to the Childcare Reserve. This contribution will extend the Reserve until 2042 based on current level of grant payments, allowing time for new strategies and funding sources to be identified to further enhance the viability of the Reserve.

A staff Presentation (RTS 9227) regarding the status of the Childcare Reserve is being presented to City Council on April 23rd, 2013.

Strategic Analysis

Childcare Metrics & Gap in available Infant/Toddler Spaces

On December 13, 2011, Vancouver City Council approved a motion reinstating the Joint Childcare Council (JCC) for a second three year term. The JCC also renewed its 500 childcare space growth benchmark for the next three years.

Childcare Reserve Grants aid in the creation of new spaces and are a tool to help support the City's efforts in achieving the 500 space benchmark by 2014. Further, the grants support the sustainability and affordability of Infant/Toddler spaces, which are limited in number, have the highest demand and require the most resources to operate due to higher child-to-teacher ratios for very young children.

While childcare is a provincial responsibility, the City of Vancouver has made a significant contribution to the availability and viability of child care services in Vancouver. In the JCC's 2009-2011 term, the City exceeded the 300 space benchmark by an additional 153 spaces through coordinated planning efforts and strong partnerships with the private and non-profit sectors, the Park Board and Vancouver Board of Education. By continuing the coordinated planning and delivery approach, eliminating barriers to development, and identifying opportunities to integrate childcare in future developments, the JCC aims to achieve an additional 500 spaces for the 2012-2014 term. The grants recommended in this report contribute to the sustainability of spaces created under the previous JCC term and previous Councils, and two programs (1372 Seymour and Woodward's, totaling 74 spaces) that are estimated to be complete this year during the current JCC term, with funds supporting project management during construction and other start-up costs.

Financial Summary

As of March 31, 2013, the unallocated balance of the Childcare Reserve is \$12.7 million. This balance includes the transfer of \$5 million from the 2012 operating surplus as recommended by Council in December 2012.

This report recommends payments from the Childcare Reserve of up to \$137,000 for Start-Up Grants and up to \$538,395 for Infant/Toddler Grants, for a total of \$675,395. Upon approval of Recommendations A and B, an unallocated balance of \$12.1 million will remain in the reserve after the 2013 disbursement. The individual payments included in Recommendations A and B are outlined in the two tables below:

Table I - Recommendation A, Summary of Start Up Grants

Program	# of Spaces	First Approved	Total Commitment (over 24 months)	Approved 2009	Approved 2012	Proposed 2013	Remaining
1. VSOCC - Citygate II	37	Jul 2010, RTS 8745	74,000	0	37,000	37,000	0
2. Collingwood Neighbourhood House - Terry Tayler	37	Jan 2011, RTS 8932 Feb 2012, RTS 9467	74,000	0	37,000	37,000	0
3. YMCA - Woodward's Childrens' Centre	37	Oct, 2012 RTS 9763	70,000	0	0	63,000	7,000
Total	111		\$218,000		\$74,000	137,000	\$7,000

Table II - Recommendation B, Summary of Infant/Toddler Subsidy Grants

Program	# of Infant/Toddler spaces	Annual Commitment	Approved for 2012	Proposed for 2013	Notes regarding actual payments in 2013
1. VSOCC - Library Square	12	\$19,800	\$19,800	\$19,800	
2. VSOCC - Dorothy Lam	24	39,600	39,600	39,600	
3. VSOCC - Quayside	24	39,600	39,600	39,600	
4. VSOCC - Shaw Tower	12	19,800	19,800	19,800	
5. VSOCC - Bayshore	24	39,600	39,600	39,600	
6. VSOCC - Sapphire	12	19,800	19,800	19,800	
7. VSOCC - Intn'l Village	24	39,600	39,600	39,600	
8. VSOCC - Sea Star	24	39,600	39,600	39,600	
9. VSOCC - Atelier	12	19,800	19,800	19,800	
10. VSOCC - Citygate II	12	19,800	19,800*	19,800**	*Centre not operational in 2012 and no grant was disbursed **Centre to open in 2013 and will be pro-rated once operational
11. VSOCC - 1372 Seymour	12	19,800	0	19,800	Centre to open in 2013 and will be pro-rated once operational
VSOCC Subtotal	192	\$316,800	\$297,000	\$316,800	
12. Collingwood Neighbourhood House	24	39,600	39,600	39,600	
13. Collingwood Neighbourhood House	12	19,800	0	19,800	

Program	# of Infant/Toddler spaces	Annual Commitment	Approved for 2012	Proposed for 2013	Notes regarding actual payments in 2013
- Terry Tayler					
14. YWCA - Leslie Diamond	24	39,600	39,600	39,600	
15. YMCA - Woodward's Children's Centre	12	19,800	0	19,800	Centre to open in 2013 and will be pro-rated once operational
16. MPCCA - Three Corners	24	63,195	63,195	63,195	
17. DDA - Creekside	24	39,600	39,600	39,600	
Subtotal	120	\$221,595	\$181,995	\$221,595	
Total	312	\$538,395	\$478,995	\$538,395	

CONCLUSION

This report seeks Council authorization to allocate the following grants in 2013:

- Up to \$137,000 for 3 Childcare Reserve Start-up Grants, supporting 111 childcare spaces, and
- Up to \$538,395 for 17 Childcare Reserve Infant/Toddler Operating Grants, supporting 312 spaces.

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