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TO:	CHAIR AND MEMBERS COMMUNITY AND NEIGHBOURHOODS COMMITTEE NOVEMBER 1, 2011
FROM:	LYNNE LIVINGSTONE DIRECTOR OF NEIGHBOURHOOD AND CHILDREN'S SERVICES COMMUNITY SERVICES DEPARTMENT
SUBJECT:	ACCESS TO CHILD CARE FEE SUBSIDY WAIT LIST POLICY CHANGE and BUSINESS PRACTICES CHANGES

RECOMMENDATION

That, on the recommendation of the Director of Neighbourhood and Children's Services, with the concurrence of the Executive Director of Community Services:

1. The by-law attached as Appendix A **BE INTRODUCED** at the Council meeting of November 7, 2011 to adopt the revised Child Care Fee Subsidy Wait List Policy attached as Schedule A; and,
2. The noted changes to the Child Care Business Practices **BE RECEIVED** for information purposes.

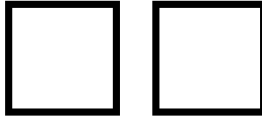
PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Barriers and Challenges in accessing Child Care in London – June 14, 2011
- Overview of Child Care in London and the City of London's Role as a Consolidated Municipal Service Manager (CMSM) – February 15, 2011
- Provincial Announcement on Early Learning and Child Care – May 10, 2010
- Provincial Announcement Regarding Full-Day Learning for Four and Five Year Olds in Ontario – November 16, 2009
- Full Day Learning for Four and Five Year Olds Pilot Projects in London– October 19, 2009
- Update on Provincial Child Care Funding Allocations – September 28, 2009
- Dr. Charles Pascal Report: With our Best Future in Mind, Implementing Early Learning in Ontario – July 20, 2009
- Reinstating London's Child Care Fee Subsidy Wait List – February 25, 2008
- Options for Short Term Measures to Address the Child Care Fee Subsidy Wait List – October 29, 2007
- Child Care Fee Subsidy Wait List – October 15, 2007
- Child Care Fee Subsidy Wait List Policy and Wait List Implementation – July 9, 2007

BACKGROUND

BACKGROUND

On June 14, 2011, a report was submitted by Civic Administration to Community and Neighbourhoods Committee with respect to Child Care in London. That report summarized the child care situation within the City and the system level barriers and challenges that affect all families in London. Further, the report discussed the specific barriers and challenges faced by families that are eligible for Fee Subsidy and the actions and activities Neighbourhood and Children's Services is undertaking to address the issues. Subsequent to the report's presentation, the Director of Neighbourhood and Children's Services advised the Community and Neighbourhood Committee that recommendations on the Child Care Fee Subsidy wait list and business practices challenges in London would be forthcoming.



The purpose of this report is to:

1. Provide Council with a summary of the challenges of increasing demand for Child Care Fee Subsidy and growing child care wait list;
2. Seek approval from Council for recommended changes to the current Child Care Wait List Policy in order to reduce barriers to accessing fee subsidy; and,
3. Share information with Council on changes to Child Care Fee Subsidy Business Practices in the areas of absenteeism, monitoring and enforcement, model of care and therapeutic referrals.

Child Care Wait List Challenges

- The growing demand for Child Care Fee Subsidy has resulted in an increasing number of families being placed on a Wait List. At the beginning of 2011, there were 100 children on the Wait List. Demand for fee subsidy has grown at a consistent rate over the year, to the point that currently there are 638 children on the Wait List. Demand for fee subsidy is forecast to remain strong throughout 2012. Key influences on the growth of the Wait List are demand (a result of a weakened economy and increased parental awareness of the value of Early Childhood Education), available funding (minimal increases in Provincial funding for several years) and the City's current Wait List priority system.
- Since 2007, the eligibility for child care fee subsidy broadened due to a change in provincial direction. The result however, was that there was greater demand for the limited funds to support access to child care. In response, the City of London established a Wait List Policy. The Wait List Policy was adopted in February 2008 and places priority on the following groups of clients:
 - (i) Siblings of child(ren) of eligible families already receiving child care fee subsidy be approved on a first-come, first-served basis
 - (ii) Children whose parent(s) have an annual adjusted family income under \$20,000 on a first-come, first-served basis
 - (iii) Children whose parent(s) have an annual adjusted family income under \$30,000 on a first-come, first-served basis
 - (iv) Children who have been referred to a child care program by a recognized referral agency/physician for developmental reasons on a first-come, first- served basis
 - (v) Children of eligible families be approved on a first-come, first-served basis
- This priority system has resulted in an unintended shift in the demographic profile of Fee Subsidy clients. Currently, the combination of high demand for fee subsidy and the current wait list priorities has had the effect that the only group able to access child care fee subsidy at this time and for the foreseeable future are families with income below \$20,000. Under the current wait list priorities there is little chance families with income even slightly over \$20,000 will be able to access fee subsidy. (It is noted that the other families accessing care at this time outside of the wait list are Ontario Works clients and Emergency-At-Risk clients). Not only does the current policy unfairly restrict the ability of low income working parents to access child care, but the clients with incomes under \$20,000 also receive the highest amount of subsidy, further lessening the amount of subsidy available to others.
- Of the three factors influencing the size of the Wait List, the City has no control over demand from parents for child care, and has only an indirect influence on the level of funding received from the Ministry of Education. However, the City does have control over the Wait List system, and over the Business Practices by which Fee Subsidy is administered.
- To address these concerns Neighbourhood and Children's Services is recommending changes to the Child Care Wait List Policy (Part A). Children's Services is also making changes to the Child Care Business Practices in the areas of absenteeism, model of care and therapeutic placements that will make the overall system more effective (Part B).



Part A - Wait List Policy

Since April 2011, Neighbourhood and Children’s Services has undertaken a review of Wait List policies used by 12 other similar sized Consolidated Municipal Service Managers in Southwestern Ontario. Based on this review, three options for the Wait List Policy have been identified. These are:

1. Retain the existing Wait List Priorities
2. “First Come, First Served” – Priority is determined solely by date of application
3. Simplify the current list of priorities - create 2 categories instead of 5: those families with income below the Low Income Cut-Off (LICO) and those families with income above LICO. **RECOMMENDED**

Retaining the existing Wait List Policy and current priorities is not recommended because it does nothing to address the on-going issue of low income working families being disadvantaged in their ability to access fee subsidy.

Under “**First Come-First Served**” there is no priority for placement – every family that is eligible for a fee subsidy is placed on the Wait List based solely on the date on which their application is processed. However, under the current Income Testing requirements associated with Child Care Fee Subsidy, every eligible family qualifies for a subsidy with only the amount of the subsidy being variable based on the family’s income – families with higher income still qualify for a subsidy, but the amount of the subsidy is smaller. “**First Come-First Served**” is the preferred option for many Consolidated Municipal Service Managers as it is the easiest to administer. However, in the environment where demand exceeds budget, this approach can lead to the situation where a family with income of \$50,000 or more receives a fee subsidy before a family whose income is \$30,000 or less. An additional challenge is that under a “**First Come-First Served**” model, there is the possibility that parents who have greater capacity to navigate the system will push out parents who are less capable. Therefore, despite the administrative ease, this option is not recommended at this time.

Simplifying the current list of priorities would result in two categories – those families whose income is below the LICO and those families whose income is above the LICO. This is a similar approach to our current policy in that it uses a threshold approach. The threshold approach puts in place a priority system based on some demographic measure, usually income. In this option the threshold would be defined by the Low Income Cut-Off level. LICO is a more dynamic benchmark and one that reflects family composition. The advantage of this change is to provide more equitable access to child care fee subsidy for families with income over \$20,000 but under approximately \$32,000.

Children in receipt of Ontario Works or on Emergency placements (e.g. considered to be at risk by a third party agency), will continue to be placed outside the priority list for Fee Subsidy. However, the definition of what constitutes an Emergency Placement will be further defined, and there will be a more rigorous review process for the model and length of Emergency Placements. Additionally, it is proposed that siblings continue to be placed outside of the priority list for one year, allowing Neighbourhood and Children’s Services the opportunity to more fully analyze the impact of the overall Wait List Policy changes.

Civic Administration has modelled the recommended changes on a statistically significant sample of clients taken from the current Wait List. This analysis confirms that the proposed changes will have the desired effect of improving access to Fee Subsidy for families with income between \$20,000 and \$32,000.

Neighbourhood and Children’s Services has informed the child care service delivery community as these recommended changes were developed. The Child Care Advisory Committee reviewed the proposed Wait List Policy revisions and the Business Practice Changes, and endorsed both. Additional input and feedback was also collected from a Child Care Service Providers Network meeting on October 13, 2011.

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If approved, the revised Wait List Policy would come into effect by the start of 2012.

Part B – Child Care Fee Subsidy Business Practice Changes

Neighbourhood and Children’s Services is experiencing significant financial pressures in all areas of its mandated service delivery, especially with respect to Fee Subsidy. The following changes to Child Care Fee Subsidy Business Practices will assist in maximizing the effective use of available funding. A more detailed discussion of each of the Business Practice Changes is provided in Appendix B.

1. Reduce the number of allowed paid sick/absent/vacation days, (days that children are away from the child care centre), from the current level of 40 days to a combined Paid Day Absent allowance of 25 days and prorate the number of days based on both the model of care and the time of the year in which the subsidy is granted, with the provision for Management to increase the allocation based on circumstance.
2. Enhance Paid Days Absent threshold monitoring by including earlier and more frequent interventions and by including both Managers and Caseworkers in the Ontario Works office in the investigation and resolution of relevant absenteeism issues.
3. Place greater emphasis on confirming that the Model of Care (i.e. days per week for which child care fee subsidy is provided) is appropriate for every fee subsidy placement.
4. Update the Therapeutic Referrals guidelines and process for referrals.

FINANCIAL IMPACT

There is no financial impact to the recommended changes to the Child Care Wait List Policy.

The changes to the Business Practices are expected to result in improved business effectiveness measures. Absenteeism due to illness, vacation and other reasons is very difficult to project month to month and year to year, but an analysis of 2010 and 2011 absenteeism indicates there is significant room for improvement. By reducing the number of allowable Paid Days Absent and by more closely monitoring the use of Paid Days Absent by clients, it is estimated that amounts associated with excessive absenteeism of between \$150,000 and \$300,000 may be freed up during the coming year for reinvestment into reducing the current Child Care Wait List.

Conclusion

In order to maintain the Child Care Fee Subsidy program in line with approved budgets and to better meet the needs of all families in London, Neighbourhood and Children’s Services recommends replacing the existing Child Care Fee Subsidy Wait List priorities with two new priority classifications based on the Low Income Cut Off measure, thereby allowing for more equitable access to Child Care Fee Subsidy for low income families; continuing to place Emergency-At-Risk children and Ontario Works children outside the waitlist; and continuing to place siblings outside of the Wait List for one year, pending an evaluation of the impact of the wait list priority changes.

Agenda Item # Page #

SUBMITTED BY:	
Ian Gibb Program Manager Children's Services	
RECOMMENDED BY:	CONCURRED BY:
Lynne Livingstone Director Neighbourhood and Children's Services	Ross L Fair Executive Director Department of Community Services

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APPENDIX A

Bill No.
2011

By-law No.

A By-law to amend By-law A.-6117-180, entitled “A by-law to adopt the Child Care Fee Subsidy Wait List Policy”

WHEREAS section 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law A.-6117-180 is amended by deleting Schedule “A” and replacing it with the attached Schedule “A”.
2. This By-law shall come into force and effect on the day this by-law is passed.

PASSED in Open Council , 2011

Joe Fontana
Mayor

Cathy Saunders
City Clerk

First reading -
Second reading -
Third reading -

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SCHEDULE A

Child Care Policies 24(8) CHILD CARE FEE SUBSIDY WAIT LIST POLICY

GOAL:

To provide a standard approach for managing the fee subsidy wait list.

GUIDING PRINCIPLES:

- every child is important and should have access to quality child care;
- continuity of care for eligible families currently on child care fee subsidy should be supported; and
- access be provided on a first-come, first-served basis

ELIGIBILITY:

1. For parents who are determined to be eligible through an income test and who are :
 - a) working or working towards improving their employability (academic upgrading or job-oriented training); or
 - b) parents whose children need socialization (referral required); or
 - c) parents or children with a special need; and
 - d) Noting that children who qualify in one of the following priorities be provided either full-time or part-time child care fee subsidy depending on need and that this placement be based on their order of application using their date of eligibility.

Notwithstanding the existence of a wait list for eligible parents, immediate placement is given to children assessed by a recognized referral agency to be at a level of risk.

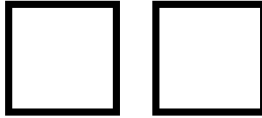
Notwithstanding the existence of a wait list for eligible parents, immediate placement is given to children whose parent(s) leave the social assistance system for employment.

Notwithstanding the existence of a wait list for eligible parents, immediate placement is given to siblings of children of eligible families already receiving child care fee subsidy on a first come, first served basis.

WAIT LIST PRIORITIES:

Within the approved annual budget for the child care fee subsidy program, eligible child(ren) on the wait list will be considered for approval according to their application date.

- i. Children whose parent(s) have an annual adjusted income under the Low Income Cut Off (LICO) measurement
- ii. Children whose parent(s) have an annual adjusted income over Low Income Cut Off (LICO) measurement



Appendix B – Child Care Business Practice Changes

Neighbourhood and Children’s Services is experiencing significant financial pressures in all areas of its mandated service delivery, especially with respect to Fee Subsidy. The following changes to Child Care Fee Subsidy Business Practices will assist in maximizing the effective use of available funding. T

1. Reduction of number of allowed sick/absent/vacation days

Child Care Business Practices recognize that children may not attend their child care centre due to illness, vacations, etc. The number of paid sick/absent/vacation days currently allowed under Child Care Business Practices is at the higher end of what other Consolidated Municipal Service Providers allow. When fee subsidies are paid for children who are not in attendance at the child care centre, it reduces the amount of funding available to move children off of the wait list.

It is intended to reduce the number of allowed paid sick/absent/vacation days, (days that children are away from the child care centre), from the current level of 40 days (30 sick/absent, 10 vacation) to a combined Paid Day Absent allowance of 25 days and to prorate the number of days based on both the model of care (i.e. 25 days for a full-time model of care, less for part time model of care) and the time of the year in which the subsidy is granted (25 days for a full year, less for a subsidy starting later in the calendar year).

It is recognized that there are extenuating circumstances under which the allotted number of days for absenteeism may need to be increased for a particular client. The proposed changes to Business Practices would still allow for this flexibility upon Manager’s approval.

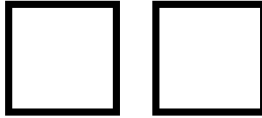
2. Enhanced monitoring and enforcement of Paid Days Absent Policy

It has been identified that in spite of the presence of Business Practice guidelines, there are a significant number of clients each year that exceed the allotted number of sick/absent days. In 2010 7% of the 2871 children on active fee subsidy used in excess of allotted sick/absent days. In 2011, the percentage is trending higher. Ninety two percent (92%) of client files do not show an explanation for the absence.

Current Threshold/Monitoring Process:

Upon 15 days absent, the Children’s Services Community Support Associate (CSA) sends an OCCMS generated Sick/Absent/Vacation letter to the participant and the child care centre stating:

- Their child is nearing his/her maximum allotment of paid sick and/or absent days available from the Fee Subsidy office, quoting the number of days absent and the number of days allotted;
- Their responsibility to provide an explanation to the fee subsidy office when their child has been sick /absent more than 5 days in a row or their subsidy may not be paid;
- If their child uses more than his/her allowed number of sick and/or absent days without explanation and approval from the Fee Subsidy office, their fee subsidy support may end;
- They may be responsible to pay for all of their child care costs for any days taken over and above their absentee allowance; and
- Finally, it states for the remainder of the year, they must notify the Fee Subsidy office when their child is not in attendance at his/her child care centre.



New Enhanced Threshold/Monitoring Process:

It is intended to enhance the monitoring process by including the additional requirement that when the Paid Days Absent for a child reach 5 or more days in 1 month and 10 or more days in total for the year, OCCMS sick/absent/vacation letter will be mailed to participant and the Child Care Centre by the Community Support Associate. Additionally, both Managers and Caseworkers in the Ontario Works office will be made aware of absenteeism issues in their case loads, and will actively participate in the investigation and resolution of absenteeism issues.

3. Model of Care approved for all participants should fit the need for care

Model of Care refers to the number of days for which child care fee subsidy is provided – typically the options are full or part time care; full or half day care; or a combination of both.

It has been identified that in 2010 and to date in 2011, approximately 75% to 80% of participants that had sick/absent days in excess of the allowable amount also had a full-time model of care. This raises the question of whether a full-time model of care is necessary for all clients or whether a part-time model of care might be more financially efficient. Children’s Services will be working closely with Ontario Works Case Workers and Children’s Services Community Support Associates to confirm that the model of care is appropriate for every fee subsidy placement.

4. Therapeutic or Third Party Referral process to be more accountable

Therapeutic referrals are child care fee subsidy placements where a community professional refers a client to Children’s Services for placement where there is no approved parental activity.

The current referral business practice allows for any third party agency to provide a referral on behalf of the child or parent, and the rationale for the request is often not well founded. This results in a number of families accessing care who could perhaps utilize other services available in the community for opportunities for socialization (i.e. Childreach, OEYCs, Libraries, play groups, etc.) **Children’s Services is intending to update the Therapeutic Referral guidelines, including identifying who in the community is deemed to be qualified to initiate a request, identifying the information that is required in order for a therapeutic approval to be considered, and implementing stricter case review criteria for each approved placement.**