



City of London

Children's Services

Neighbourhood & Children's Services Division
Community Services Department

Community and Neighbourhoods Committee
November 1, 2011

Overview of Presentation



1. Summarize the challenges of increasing demand for Child Care Fee Subsidy and growing wait list;
2. Recommend changes to the current Child Care Wait List Policy in order to reduce barriers to accessing fee subsidy; and,
3. Share information on changes to Child Care Fee Subsidy Business Practices

Child Care Wait List Challenges



Demand for Child Care Fee Subsidy continues to increase, rising from 100 children at the start of 2011 to approximately 625 today.

Significant causal factors are:

- continuing weakness in the economy
- increased parental awareness of the value of Early Childhood Education
- minimal increases in Provincial funding
- the City's current Wait List Priority System

Current Child Care Fee Subsidy Wait List Policy

Policy initially created in 2007 in response to changes in Provincial legislation that created additional demand for child care fee subsidy without a corresponding increase in funding.

As modified in February 2008, the Wait List Priorities are:

- (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

Child Care Wait List Policy – the issue



- These priorities have resulted in an unintended shift in the demographic profile of clients.
- For the past year, only parents with income under \$20,000 have been able to access fee subsidy, leaving eligible parents with income as low as \$20,120 unable to obtain a fee subsidy.

Recommended Changes to Wait List Policy

- Review of Wait List policies used by 12 other similar sized Consolidated Municipal Service Managers in Southwestern Ontario.
- Based on this review, three options identified:
 1. Retain the current Wait List Priorities
 2. “First Come, First Served” – Priority is determined solely by date of application
 3. **Simplify the current list of priorities to create two more inclusive categories:**
 1. **families with income below the Low Income Cut-Off (LICO); and**
 2. **families with income above LICO.**

Examples of LICO's application – families that would be considered as Priority 1

<u>Family Size</u>	<u>After Tax Threshold</u>
2 persons	\$ 19,308
3 persons	\$ 24,043
4 persons	\$ 29,996
5 persons	\$ 34,157

(2010 LICO for London)

Summary of Changes to Wait List Policy



Current Priorities

0. Emergency placements
- i. Siblings
- ii. Family income < \$20,000
- iii. Family income < \$30,000
- iv. Children referred for developmental reasons
- v. All others on a first come-first served basis

Proposed Priorities

0. Emergency placements and siblings
- i. Families under LICO
- ii. Families over LICO

Proposed Wait List Policy Changes - Impact

- Improved access for a broader range of families
- A statistically significant sampling of families on the **current Wait List** indicates that the priority classification for the vast majority of families will either improve or stay the same
- Less complicated for families and for administration

Transition Plan to move to updated Wait List policy

- If approved, staff will begin a case by case review of all clients on the Wait List to confirm their new priority placement
- Any family on the Wait List at the effective policy change date who have their priority negatively affected will be grandfathered to preserve their current status
- Broad communication plan to families and child care providers

Changes to Business Practices



1. Reduction of number of allowed Paid Days Absent(days that children are away from the child care centre) from 40 days to 25 days. Allowances for exceptional circumstances
2. Enhanced Paid Days Absent threshold monitoring
3. 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. Updating the Therapeutic Referrals guidelines and process for referrals

Financial Implications



Changes to Wait List Policy

- No financial impact

Changes to Business Practices

- Improved business effectiveness, possibly in the order of \$150,000 to \$300,000 for reinvestment in reducing the current Child Care Fee Subsidy Wait List



Recommendation



- Approval of the revised Child Care Fee Subsidy Wait List policy
- That the by-law attached to the Committee's report 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

LICO Fact Sheet



Low income cut-offs (LICOs) are intended to convey the income level at which a family may be in strained circumstances because it has to spend a greater portion of its income on the basics (food, clothing and shelter) than does the average family of similar size.

LICO s are calculated by Statistics Canada based on data collected through the Survey of Household Spending. LICOs are calculated based on the spending patterns of families on basic 'necessities' - food, shelter and clothing.

The LICOs vary by family size and by size of community.

Statistics Canada has clearly and consistently emphasized, since their publication began over 25 years ago, that the LICOs are quite different from measures of poverty. They reflect a consistent and well-defined methodology that identifies those who are substantially worse off than the average. In the absence of an accepted definition of poverty, these statistics have been used by many analysts who wanted to study the characteristics of the relatively worse off families in Canada.