

Region's child-care subsidies program on hold and overbudget ^[1]

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EXCERPTS

The region is over budget on child-care subsidies and has put the program on hold.

Region of Waterloo council voted in October 2015 not to go ahead with a recommendation from consultants KPMG to close five regionally operated child-care centres for \$2.5 million in savings.

KPMG recommended that money be put to use creating 200 new, permanent subsidized spaces, but parents with children in the centres pushed back loudly.

Those centres offered 250 child-care spaces, while another 8,775 children under the age of 12 received care in 137 private and nonprofit centres.

In a report last week, staff said there has been higher than expected demand on the subsidy program and it would be overbudget by about \$350,000 at year's end.

"I'm not prepared to support us subsidizing it even more but. ... (it's) water under the bridge," Coun. Geoff Lorentz said. "We can't unring the bell."

Currently, there are about 3,100 subsidized children in the local child-care system, said Sheri Phillips, interim director of children's services.

As of Nov. 1, a stop was put on the program and any parents applying have been placed on a wait list.

No new children will be approved for subsidy and staff hope to reduce costs by attrition. If that works, new subsidy placements may begin in January.

Coun. Sean Strickland was the sole vote in favour of closing the centres in 2015.

He said the overexpenditure shows why he supported KPMG's recommendation to close the centres and reallocate the money to subsidized spaces in nonprofit and for-profit centres.

"If you're able to do that and create 200 more spots, you wouldn't be having a waiting list right now because there's 200 more spots that would be in the system," he said.

Staff attributed the anticipated overage to several factors.

On average there are about 50 children more in the program, and a higher number of infant, toddler and preschool children are involved.

Costs to care for those children are higher.

At the same time, costs increased from July to August by about 7.5 per cent.

Since 2012, costs have typically decreased during that period by about 11 per cent.

Lorentz said putting a stop on new subsidies could have a domino effect on the child-care system if providers aren't able to fill spaces with full-fee paying kids.

"It's just something that we're going to have a look at and see what options we're going to have for the new year," Lorentz said.

According to Phillips, about \$17.4 million was budgeted for subsidies in 2016.

The fee subsidy program is cost-shared with the province, which picks up 80 per cent of the cost.

Under provincial legislation, the Region of Waterloo must act as a service manager for child-care services.

Responsibilities include determination of subsidy eligibility, ensuring compliance with the Day Nurseries Act and providing funding to support children with special needs in child care.

The region is not required to operate child-care centres.

-reprinted from The Record

Region: Ontario ^[3]

Tags: funding ^[4]

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