

City plan includes new cash for childcare sector ^[1]

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EXCERPTS

The city wants to pump \$11.5 million into the childcare sector between now and 2020 to stabilize fees and slash wait times.

The cash injection was outlined in a new childcare services roadmap released this week. The community and protective services committee will discuss the plan at its meeting next week.

Child care is a complicated bureaucratic beast. There are many different funding streams and a wide range of services and subsidies offered to parents. But the sector has become even more complex - and stressed - since 2010, when the provincial government introduced full-day kindergarten.

The move pulled four- and five-year-old children out of daycares and into the school system, leaving some providers scrambling to make up the lost revenue and forcing others to close.

In addition, the province modernized its childcare legislation last year. The city changed its wait-list management system, created a new process for parents to access information about child care, and began the transition to a new fee subsidy model intended to stabilize fees in the licensed sector, decrease wait times for families seeking care, maximize the number of subsidies available, and prioritize subsidies for families most in need, and create more choice.

"A stable system helps to maintain the number of licensed spaces that we have, and that means people will have access to the service, and more choice," said Aaron Burry, the general manager of community and social services, including child care.

Burry said he doesn't anticipate any not-for-profit centres will have to close as a result of the measures proposed in the plan.

By the numbers:

28,051 Total number of licensed spaces in Ottawa

6,470 Total number of subsidized spaces

12,280 Total number of children on wait list for a space (full fee and subsidized)

\$3,479 Total available funding per childcare space in Ottawa (compared with \$6,846 in Toronto and \$3,232 in London)

Where is the \$11.5 million coming from?

The childcare reserve fund, which might come as welcome news to some advocates. Many were frustrated to learn last year that the city was sitting on \$13.4 million in two reserve funds dedicated to child care - \$9.6 million collected from tax dollars and \$3.8 million collected from development charges.

What's a floating fee subsidy?

Subsidized childcare spaces in Ottawa have historically been attached to specific childcare agencies. But as of next year, a floating system will be implemented, meaning that the subsidy will follow the child. Families will be able to choose where their child receives subsidized care as long as that provider has space available within their licensed capacity and has a signed contribution agreement with the city.

Burry said the city will monitor the utilization of fee subsidy to ensure that the system does not exceed 6,300 spaces.

How does the new funding model work?

Not-for-profit agencies will receive funding as part of what's called a general operating grant that will replace, for some agencies, funding formerly received under a wage subsidy program, while other agencies may receive government funding for the first time under the general operating grant program.

Of the 180 licensed childcare providers in Ottawa, 123 agencies (68 per cent) receive wage subsidy funds. But there's disparity between

the amount of government funding per space that agencies receive, which varies from \$0 to \$5300 per space.

The city says implementing a new funding formula will result in an equitable redistribution of existing provincial funds to eligible licensed childcare programs.

Ottawa, Burry added, is one of the first municipalities to adopt this kind of "clear, transparent" funding.

What happens in 2020?

That's exactly what community and protective services committee chair Diane Deans wants to know, apparently.

"The big question mark will be five years hence when the \$11.5 million stabilization that the city is putting in from our reserve fund is eaten up and we then look to the province to come to the table with more funding," she said Thursday.

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