
2010 BUDGET BRIEFING NOTE

Provincial Best Start Funding

Issue/Background:

Best Start is a ten-year plan to strengthen healthy development through provision of early learning and child care services for children and families. Provincial Best Start funding originated in 2005 as a result of the Federal government's National Child Care Plan.

The change of Federal governments in January 2006 resulted in notice of termination of the 2005 Early Learning and Child Care agreements effective March 31, 2007. The Provincial government paid out the final year in 4 installments over the 4 years that ends March 31, 2010. Best Start is 100 per cent funded by the Provincial government via flow-through of Federal funds, with no City contribution. The City deposited the balance of the 2005/06 Best Start funding into the Child Care Expansion Reserve Fund (CCER) to be used to supplement future year allocations to maintain service levels.

Key Points:

Funding Pressures

As a result of Best Start cancellation, provincial funding has been cut by \$9.2 million in 2010 growing to an annualized reduction of \$15.4 million in 2011. In June 2009, the Province announced a one-time funding relief of approximately \$4.4 million, to enable programs to operate until the end of June 2010. These funds were a transition measure intended to stabilize the system prior to implementation of the early learning program. The system impact is that they will delay by a few months only the draw on the CCER in 2010, but there is no long term impact since these funds represent one time funding.

For several years, there has been a gap between funding provided through legislated provincial and municipal share and the Council mandated service levels. Council direction includes the provision of 24,000 subsidies and payment of actual cost of services delivered by community based providers. Actual cost of service represents a cumulative annual pressure of approximately \$8 million. Currently, fixed Provincial and City base funding levels do not support all legitimate operating cost increases, making it impossible to maintain service levels approved by Council without funding from the CCER.

The 2009 contribution from the CCER was \$12.6 million and the projected 2010 contribution will be approximately \$21.7 million; leaving approximately \$17.0 million left in the reserve fund at the end of 2010.

The Child Care Expansion Reserve Fund will be exhausted in mid 2011. The overall gap is estimated to grow to approximately \$38 million in 2011, resulting in a \$20 million shortfall of revenue from all sources and a corresponding service level reduction of approximately 2,000 child care subsidies by 2011 in the absence of new provincial or federal investment. The City is encouraging the Federal Government to reinstate the National Child Care Program. The ongoing funding pressures from increases in operating costs will require a further reduction of 3,000 spaces on January 1, 2012, for a total of 5,000 spaces.

Best Start Capital

In 2005, as part of the Best Start Transition Plan, Children's Services developed a Transitional Infrastructure Plan that identified licensed child care space expansions to be funded from Best Start. Phase 1 of this plan was implemented in 2006. The plan implementation was interrupted as a result of the termination by the Federal Government of the federal/provincial Early Learning and Child Care agreements in March 31, 2007. The total amount spent in capital projects under the Best Start Transitional Infrastructure was \$21.6 million. The attached table provides the list of projects funded by the plan. The remaining 2005 Best Start transfer from the Province (approximately \$44 million) was placed in the CCER.

Downloading Costs

Also attached is the impact on City net expenditures of programs downloaded by the Province in 1999 as part of the Local Service Realignment for total net amount of \$13.8 million.

Attachments:

Best Start Capital Funded Projects
Summary of Downloading Costs

Prepared by: Andres Hachard, Manager, Budget & Finance, Children's Services; 416-392-3757

Further information: Elaine Baxter-Trahair, General Manager, Children's Services, 416-392-8134

Date: January 25, 2010

BEST START CAPITAL

	(\$'s)
ABORIGINAL C.C.CENTRE 156 GALLOWAY (Budget)	2,700,000
ABORIGINAL C.C.CENTRE 2784 KEELE	278,972
ALEXANDER MUIR YMCA	270,329
ASCOT	42,985
BLAKE STREET SATELLITE	191,615
BLESSED TRINITY	265,376
BRAEBURN EARLY LEARNING	534,938
BROOKSIDE	116,324
C D FARQUHARSON YMCA	196,776
CHILDSpace 3	50,600
EAST SCARB ST MARTIN DE PORRES	403,401
ENDERBY	136,400
EPIPHANY OF OUR LORD YMCA	178,839
GARDERIE CHEZ TANTE LAURE	4,592
GARDERIE LA FARANDOLE-FELIX	229,177
GARDERIE LA FARANDOLE-TRUDEAU	113,726
GHE SIG HOUSE	16,811
HOLY FAMILY	291,351
HOLY SPIRIT (BEST START)	584,198
IMMACULATE CONCEPTION	243,309
KENSINGTON	227,996
KIIWEDNONG EARLY YEARS	10,087
KREATIVE KIDS	264,909
LE PETIT CHAPERON ROUGE-GAINSBOROUGH	14,500
LESLIEVILLE	174,990
MAPLE LEAF	264,837
PLAINS ROAD	50,600
PLP ST. MARK	307,095
RAWLINSON	112,864
RED APPLE - BLESSED JOHN XXIII	390,294
REGENT PARK 10 COLE ST (Budget)	1,860,000
SHIRLEY STREET YMCA	509,321
SIR SAMUEL STEELE YMCA	386,785
ST. AIDAN	393,913
ST. ANDREW	263,016
ST. ANGELA	172,413
ST. AUGUSTINE YMCA	282,664
ST. BERNADETTE'S	389,778
ST. BONIFACE YMCA	509,947
ST. CONRAD	591
ST. DOROTHY	185,914
ST. FIDELIS	283,823
ST. FRANCIS DE SALES YMCA	501,009
ST. FRANCIS XAVIER	173,177
ST. GABRIEL LALEMANT	420,581
ST. GERARD MAJELLA	339,478
ST. HELEN'S	19,649
ST. ISAAC JOGUES	222,828
ST. JEROME YMCA	405,443
ST. JOACHIM	558,073
ST. JOSEPH YMCA	211,226
ST. JUDE	326,455
ST. MARCELLUS	173,343
ST. NICHOLAS - AMARILLO DR	564,731
ST. PASCHAL BAYLON	302,184
ST. PHILIP NERI	370,748
ST. RAPHAEL	333,549
ST. ROCH	203,789
ST. ROSE OF LIMA YMCA	373,441
ST. SEBASTIAN	7,223
ST. SYLVESTER	212,347
TOM'S PLACE	275,365
WARDEN WOODS SATELLITE	124,971
WEXFORD	380,946
YWCA BERGAMOT EARLY LEARNING	1,216,895
TOTAL	21,623,507

Programs Downloaded in 1999	
	(Net \$ Millions)
Wage Subsidy non-profit	7.8
commercial	0.6
Special Needs Resourcing	1.1
Resource Centres	0.6
Integration (from 87:13 to 80:20)	0.1
Child Care Administration (from 80:20 to 50:50)	3.6
Total Downloaded Programs	13.8