



## STAFF REPORT ACTION REQUIRED

### Per Diem Rate for Child Care Operators

<b>Date:</b>	May 21, 2009
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	General Manager, Children's Services
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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This report recommends increasing the 2009 per diem rates for child care operators, family resource programs, special needs resourcing services and home child care in accordance with the increase in per diems included in the 2009 Approved Operating Budget for Children's Services. These increases are in accordance with both the Principles for a Best Start Framework, adopted by Council in June 2006, and City budget guidelines.

#### **RECOMMENDATIONS**

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The General Manager for Children's Services recommends that:

- 1) City Council approve retroactive to January 1, 2009, rate increases totalling up to \$5.946 million be made to eligible child care operators, family resource programs, special needs resourcing services and home child care provider rates, in accordance with Children's Services budget guidelines for purchased child care service providers.

#### **FINANCIAL IMPACT**

The 2009 Approved Operating Budget for Children's Services includes \$5.946 million for per diem rate increases to reflect actual costs, with the average increase of 2.6%.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

Council at its meeting of December 1, 2 and 3, 2008 adopted a report dated October 30, 2008 from the General Manager of Children's Service initiating the development of the 2010-2014 Child Care Service Plan and the principles that support the Plan .

See

[http://www.toronto.ca/children/pdf/serviceplan\\_2010-2014.pdf](http://www.toronto.ca/children/pdf/serviceplan_2010-2014.pdf)

## **ISSUE BACKGROUND**

### Per Diem Rate Increases

Recognizing the importance of base rates and payment of actual costs, Principles for Determination of Annual Inflation Based Adjustments were included in the Principles for a Best Start Framework adopted by Council in June 2006 as follows:

- (i) Funding of actual operating costs is essential to delivery of quality child care programs.
- (ii) Programs should know as early as possible the amount of funding available and funding should be distributed within the current year.
- (iii) Increases should be based on actual costs, not a flat rate adjustment.
- (iv) Increases must support regular operating cost increases as outlined in Purchase of Service Budget Guidelines.

Children's Services has adhered to these principles through the distribution of wage improvement grants and through paying increases in operator costs to an average of 3% per year. Once again, Children's Services is proposing base funding rate adjustments be made to child care operators / service providers having a contract with the City. Increases to base funding rates are determined in accordance with the City budget guidelines. Increases average 2.6% for 2009, and are included in the 2009 Approved Operating Budget for Children's Services.

## **COMMENTS**

Per diem rate increases retroactive to January 1, 2009 are an important source of funds for child care operators. They have been paid since 2006 and are essential for child care operators to meet their costs and provide service in accordance with the City's Operating Criteria.

## **CONTACT**

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## **SIGNATURE**

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