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2014 OPERATING BUDGET BRIEFING NOTE

After-School Recreation & Care Program (ARC) Expansion of 16 Additional Sites

Purpose:

- The After-School Recreation Care (ARC) program model was developed in 2005 to address the child care and recreation needs of children six to twelve years old living in vulnerable communities.
- The purpose of this Briefing Note will outline the additional impact on the 2014 Operating Budget of expanding the ARC program to an additional 16 sites as presented in the staff report "Options for Multi-Year Phased in Expansion of After-School Recreation Care (ARC) Program beyond Priority Neighborhoods"(CD24.2). The proposed expansion was approved by Council on November 13, 2013, subject to the budget review process and requested that the necessary resources be included in the 2014 Operating Budget.

Issues and Background:

- The ARC program started in September 2006 at 13 sites, with a budget of \$0.906 million gross, revenue of \$0.245 million from parent fees and net funding of \$0.661 million from the Social Service Stabilization Reserve Fund.
- The ARC program now operates in 33 locations across the City with approximately 900 children registered with a 2013 Operating Budget of \$2.3 M Gross and \$1.3 M Net Expenditures. Of the total, 29 locations and 870 children are funded by the base budget and the remainder is temporarily funded by other sources.
- The 2013-2014 parent fee is \$2.34 per child per day, which is approximately 11% of program costs based on current 2013 projections.
- Participants in the program currently access ARC in three ways: 20% are supported through Welcome Policy, 31% participate in Priority Centres where there are no fees, and 49% pay fees at \$2.34 per day to attend. ARC operates currently at five Priority Centre locations.
- 2014 Operating Budget recommends continuing the current service levels by an ARC site expansion and snack program which adds 4 additional sites and the delivery of a daily snack program for all 33 locations at a cost of \$0.419 million gross and \$0.211 million net partially funded by the provincial grant of \$0.176 million and registration fees of \$0.032 million.

Financial Impacts:

- The 16 site ARC expansion has annual costs of \$0.375 M net expenditures in 2014, \$1.0 M net expenditures in 2015 and \$1.3 M in 2016 based on a phased in approach for an additional 16 sites.
- The estimated Gross Expenditure of \$0.09 M per site is partially funded by parent fees of \$2.34 per child day reducing the annual Net Expenditures to \$0.08 M per site. The Gross Expenditure, Revenue and Net Expenditure financial impact is represented in the following table:

ARC Financial Summary - Estimated Annual Costs (\$000's)									
Category	2014			2015			2016		
Period	Jan to June	July to Dec	2014 Total	Jan to June	July to Dec	2015 Total	Jan to June	July to Dec	2016 Total
Gross Expenditures	35.2	373.9	409.1	443.8	677.9	1,121.7	812.3	675.1	1,487.3
Registration Fees	-	34.1	34.1	50.8	68.3	119.1	101.5	68.3	169.8
Net Expenditures	35.2	339.7	375.0	393.0	609.6	1,002.7	710.7	606.8	1,317.5
# of Children	-	240	240	240	480	480	480	480	480
# of Sites	-	8	8	8	16	16	16	16	16
Average Gross Expenditure per Site				55	42		51	42	\$ 93.0
Average Net Expenditure per Site				#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	\$ 82.3
FTE Annual			9.3			27.6			27.6

- The following table outlines the 2013 Base Budget, 2014 Base Budget Changes and the incremental impacts of the 16 site expansion:

Category	ARC Financial Summary (\$000's)								
	2013 Budget	2014 Base Budget Changes	2014 Recommended Base	2014 Expansion Impact*	2014 Total	2015 Expansion Impact*	2015 Total	2016 Expansion Impact*	2016 Total
Gross Expenditures	2,255.5	419.1	2,674.6	409.1	3,083.7	712.6	3,796.3	365.6	4,161.9
Revenues	931.9	208.4	1,140.3	34.1	1,174.5	84.9	1,259.4	50.8	1,310.2
Net Expenditures	1,323.6	210.7	1,534.2	375.0	1,909.2	627.7	2,536.9	314.8	2,851.7
# of Children	870.0	120.0	990.0	240.0	1,230.0	240.0	1,470.0	-	1,470.0
# of Sites	29.0	4.0	33.0	8.0	41.0	8.0	49.0	-	49.0

Notes:

* Indicates the expanded service levels item is not included in the Recommended 2014 Operating Budget

Key Points:

- The expansion would be completed with an implementation beginning in September 2014 of 8 site locations. A further expansion of 8 site locations in September 2015, for a total of 16 locations. This would bring the total to 49 ARC locations effective September 2015. All costs for the expansion including additional full time staff resources and start-up costs have been included in the financial information in the report.

- The existing placement of ARC in the city has been strategic with all existing sites in areas with high levels of child poverty and poor access to service. Sites have been selected using criteria that reviewed families need and financial accessibility, proximity to schools, other options for care, and local service needs. Currently there is a registration capacity of 1010 children in the 2013-2014 ARC program year. There are 17 locations with waiting lists and a total of 232 children on waiting lists for the existing locations.
- There are a number of Site requirements in the assessment of any expansion ARC program locations, these include; proximity to local schools for escorting, existing after-school programs serving school age children in community, facility amenities including: proximity of outdoor space, availability of rooms to accommodate range of programming and space for 30-70 children, storage space, and access to washrooms, kitchen access, and barrier free access. Currently all ARC locations (23) in TDSB and TCDSB schools are partnerships with the local school where space is shared and there are no permit fees. The remaining 10 sites are located in PFR owned community centres. The expansion into new school sites will require a negotiation with both school Boards and there may be additional costs associated
- The ARC program is funded through four sources. These funding sources are projected to fund ARC in 2013, at the following levels: Ministry of Tourism, Culture, and Sport (MTCS) \$0.7 M (or 28% of total), Parent user fee revenue \$0.3 M (or 11% of total), City-Social Service Stabilization Reserve Fund \$0.2 M (or 8% of total), City tax base funding \$1.3 M (or 53% of total).
- Ontario Ministry of Tourism, Culture and Sport MTCS funding and Reserve Funds are not available for a program expansion.
- Any further ARC expansion needs to be planned and consider the implementation of the Strong Neighbourhood Strategy 2020, Middle Childhood Strategy, the 2012 Recreation Service Plan, the funding Model being developed by Children's Services and the impacts of Full Day Kindergarten. These strategies and system directions will provide the foundation for any further program expansion.
- PFR continues to work with Children's Services and The Toronto Child and Family network with the implementation of the Middle Childhood Strategy. The ARC program is a model of out of school time care for 6-12 year olds.

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