

## **Funding, Stabilization and Expansion of the After-School Recreation Care (ARC) Program**

<b>Date:</b>	June 12, 2013
<b>To:</b>	Community Development and Recreation
<b>From:</b>	General Manager. Parks, Forestry and Recreation
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2013\Cluster A\PFR\CD22-062613-AFS#17805

### **SUMMARY**

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This report responds to the October 12, 2012 direction from Council directing Parks, Forestry and Recreation to work with the Province to secure funding to stabilize the current After-School Recreation Care (ARC) program and develop a Business Case for the 2014 Operating Budget that would ensure the continuation of the current ARC program. The options for expanding the ARC program are also addressed.

The Report provides an update on the current status and funding for the ARC program and recommends that Parks, Forestry and Recreation work with Children's Services and other funding partners to identify long-term funding and potential expansion options for the program.

### **RECOMMENDATIONS**

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**The General Manager of Parks, Forestry and Recreation recommends that:**

1. Parks, Forestry and Recreation continue to deliver the ARC program at the locations and fee rate agreed to as part of the funding requirements of the Ministry of Tourism, Culture and Sport (MTCS) for the duration of the current secure funding arrangement as outlined in this report;
2. the General Manager of Parks, Forestry and Recreation investigate future options for the expansion of ARC as part of the implementation of the Recreation Service Plan, and consistent with the Middle Childhood Strategy, and in the context of the implementation of Full Day Kindergarten; and

3. the General Manager of Parks, Forestry and Recreation continue to work with Children's Services and the Province as the ARC program partners in assessing future options for expansion.

## Financial Impact

In 2012 MTCS required the City of Toronto to implement a daily snack program as part of the ARC program. Included in the 2013 MTCS annual grant negotiation was also a program expansion opportunity for an additional four ARC locations. The expansion of the program and the addition of the required snack program will have an incremental cost of \$0.297 million in 2013 which will be funded by grants and a onetime draw from the Social Service Stabilization Reserve Fund for a net \$0 impact. Funding is available in the Social Service Stabilization Reserve Fund to offset both of these enhancements to the program for the current year's budget.

The anticipated incremental financial impact for the four expansion locations and continued provision of a healthy daily snack for all ARC locations in 2014 is \$0.419 million gross and \$0.211 million net which will be included in the 2014 Operating Budget for consideration through the budget process.

	2013 Operating Budget Impact					2014		
	Gross Exp	Grants	Reserve	Rev Total	Net	Gross Exp	Revenue	Net
<b>Snack</b>	\$ 215,780	\$ 100,000	\$ 115,780	\$ 215,780	\$ 0	\$ 215,780	\$ 100,000	\$ 115,780
<b>Expansion</b>	\$ 81,312	\$ 43,361	\$ 37,951	\$ 81,312	\$ 0	\$ 203,280	\$ 108,402	\$ 94,878
<b>Total</b>	<b>\$ 297,092</b>	<b>\$ 143,361</b>	<b>\$ 153,731</b>	<b>\$ 297,092</b>	<b>\$ 0</b>	<b>\$ 419,060</b>	<b>\$ 208,402</b>	<b>\$ 210,658</b>

- Expansion revenue combination of MTCS and Registration fees
- 2013 Expansion for 4 month period (September to December) and 2014 Expansion for 10 month ARC period
- 2014 Operating budget figures pending approval

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

## DECISION HISTORY

City Council, Policy & Finance Committee. Report 9, Clause 32a, "Meeting the Needs of School Aged Children through a Child Care and Recreation Service Model" (November 24, 2005)

<http://www.toronto.ca/legdocs/2005/agendas/council/cc051124/pofcl032a.pdf>

Staff reported to Council of progress of planning and implementing the After School Recreation and Care programs in July 2006. See: Policy and Finance Committee, Report 6, Clause 3, “After-School Recreation and Care Program” (July 25, 26 and 27, 2006), <http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/cl031.pdf>

Community Development and Recreation Committee report CD 26.3, “Ministry of Health Promotion Funding Agreement to Expand and Enhance After-School Recreation Care Programs” (September 30 and October 1, 2009) <http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-09-30-cc40-dd.htm>

Report from the General Manager, Children's Services and the General Manager, Parks, Forestry and Recreation on Introducing a Middle Childhood Strategy for the City of Toronto (October 4, 2012) <http://www.toronto.ca/legdocs/mmis/2012/cd/bgrd/backgroundfile-50755.pdf>

Report from the General Manager, Children's Services on Toronto Middle Childhood Strategy Implementation Plan (May 8, 2013) <http://www.toronto.ca/legdocs/mmis/2013/cd/bgrd/backgroundfile-58282.pdf>

## **ISSUE BACKGROUND**

In November 2005 City Council approved the development of a new program for after-school recreation and care. Parks, Forestry and Recreation, working in collaboration with Children's Services developed and implemented the After School Recreation Care (ARC) program model to address the child care and recreation needs of children six to twelve years old living in vulnerable communities and to provide increased opportunities for youth mentoring and employment. The program was launched in the 2006-2007 school year in 10 community based locations, including Community Centres and schools. Since then, ARC has experienced several interim expansions, increasing in September 2007 to 19 ARC locations and again in September 2008 to 27 ARC locations.

In 2009, City Council approved the acceptance of funding from the Ministry of Health Promotion (now MTCS) through the Ontario After-School Initiative Fund. Council also delegated authority to the General Manager of Parks, Forestry and Recreation to negotiate annual funding agreements with MTCS as required to support the program. The funding allowed for the expansion in the 2009-2010 school year of the existing ARC program to 30 locations in 13 priority neighbourhoods. As a result of MTCS funding, Parks, Forestry and Recreation was able to reduce the registration fee from \$6.00 to \$2.00 per child per day which resulted in significant increased uptake of the program. The funding also allowed for the introduction of a curriculum emphasis on both physical activity and youth leadership for 10-15 year old children. The Community Leadership After-School Program (CLASP) began as a pilot in the O'Connor location and continues to operate in this location with success.

There are currently 29 ARC locations (including 1 CLASP) operating in 12 of Toronto's 13 Priority Neighbourhoods. Over 890 children participate in the program for 189 days a

year from September to June. The 2012/2013 ARC program fee is \$2.34 per child/per day. There are currently five ARC sites in Priority Centres, 20% of clients are supported through the Welcome Policy, 31% participate in Priority Centres where there are no fees and the remaining 49% are fee paying.

The 2012/2013 total ARC budget is approximately \$2.5 million, funded through a combination of four sources - provincial funding from MTCS (\$641,000), parent user fee revenue (\$263,000), City funding (\$1,136,000) and the Social Service Stabilization Reserve Fund (\$460,000). The Social Service Stabilization Reserve Fund (\$3.7 million) was allocated to the 2006 Children's Services Operating budget for ARC. The fund has a current balance of \$1.3 million.

ARC also provides employment opportunities for approximately 160 staff many of which live in the communities they serve. The average site registration is 30 children with some as large as 70 children. The program has a strong commitment to quality and maintains high standards through annual Toronto Children's Services Consultant visits, over 70 hours per staff in training, and HIGH FIVE Quest evaluations twice per year. ARC has received recognition and awards from Resiliency Initiatives Canada (2009), Liveable Cities Conference (2010) and Public Sector Quality Fair-Gold (2008).

## **COMMENTS**

### **Immediate Expansion of ARC Program**

ARC registration and demand has increased steadily since the program began, with many sites now reaching capacity or experiencing waiting lists. In 2013, 23 of the 29 locations were at registration capacity and 18 locations had registration waiting lists.

In the spring of 2013, Parks, Forestry and Recreation worked with MTCS on a series of changes to serve more children and youth in priority neighbourhoods, including expanding the number of sites and relocating programs from communities where there is low enrolment or other existing services to areas without services and where there is the greatest demand. MTCS also communicated minimum site registration requirements to be eligible for funding. This resulted in the cancellation of 2 ARC locations with low registration, Crescent Town and Stephen Leacock where daily registration fell below 12 children. The Crescent Town location had experienced low registration as a result of a nearby free afterschool program, also funded through MTCS, with approximately 80 attending daily.

After reviewing ARC waiting lists, service gaps in existing Recreation Branch programming, the impact of Full Day Kindergarten (FDK) and Ward planning conducted by Children's Services, Parks, Forestry and Recreation identified and proposed the expansion of some current ARC locations as well as an additional four new locations to serve more children in the 2013-2014 school year - at a cost of \$0.081 million funded by grants of \$0.043 million from MTCS and \$0.038 million from the Social Services Stabilization Reserve Fund. Together, the four new sites and expanded program at two other sites will provide after school programming for an additional 120 children, bringing

the total program locations to 28 ARC programs for children 6-12 and 5 CLASP programs for children 10-15 years. A total of 33 MTCS funded programs.

The program changes and new sites will begin operating in September 2013 for the 2013/14 school year. The incremental financial impact in 2014 for the four expansion locations and continued provision of a healthy daily snack for all ARC locations is \$0.419 million gross and \$0.211 million net which will be included in the 2014 Operating Budget for consideration through the budget process. These costs are partially offset by an additional \$ 0.134 MTCS funding bringing the MTCS funding from \$641,170 in 2012-2013 to \$775,170 in 2013-2014.

A full list of ARC locations is attached as 'Appendix A'.

### **Status of ARC Program Funding**

In March 2013 MTCS committed to a funding envelope of three years, which secures program operation until June 2016. The amount of funding and the ARC locations will continue to be negotiated annually and is based on the average daily attendance of children on a site by site basis, which is reported monthly. This permits both the City and the Ministry to review the program configuration annually to ensure the program serves the maximum number of children with the available resources and in the communities with the highest need. This represents a longer commitment of funding than in past years, where funding for the entire program was negotiated annually.

The agreement with MTCS also requires that the City meet demonstrated curriculum requirements that include 30% physical activity, 20% health and wellness activity, 20% healthy eating and nutrition education that includes the provision of a daily snack, and 30% local programming.

MTCS also requires that program fees not be a barrier to participation, ARC meets this requirement through the application of Welcome Policy and by providing ARC at Priority Centres locations. In 2012, the user fees for ARC were aligned with the recent conversion to dollar based amounts for Welcome Policy. To date there has been sufficient availability of Welcome Policy allowing families to access the full cost of ARC registration utilizing the Welcome Policy subsidy.

### **Future Planning for ARC**

Future planning for the expansion of ARC needs to consider the implementation of the Middle Childhood Strategy, the 2013 - 2017 Recreation Service Plan, and the impacts of Full Day Kindergarten. These strategies and system directions will provide the foundation for any further program expansion. The program is not licensed childcare and is therefore not funded through the formal Childcare funding mechanisms.

To further expand in a sustainable manner, Parks, Forestry and Recreation has been asked to consider a full cost recovery model or funding solely from user fees. At the current rate of \$2.34 per day per child, fees recover only 15% of the cost of operating the program. In order to create a sustainable program based on cost recovery, fees would need to

increase to \$16.60 per day (\$3,138/year per participant) with a minimum program enrolment of 30 children in each program location.

This would present a significant barrier for low-income families to access the program. Welcome Policy allocations of \$455 per child per year would cover only 15% of the total user fee in a full cost recovery model. For those families who do not qualify for Welcome Policy, the \$3,138/yr would be unaffordable. This model would also create a two-tiered system of fees dependent on the location of the ARC site; residents would pay \$3,138/year in one area of the City and \$455 in another area. This is contrary to the equity principles adopted as part of the Recreation Service Plan, as well as the City's User Fee Policy, which requires consistent fees across the City for similar programs. Increasing user fees to full cost recovery at all locations could be considered, but this would result in the loss of provincial funding for the existing locations and even greater issues regarding access for low income families. As a result, Parks, Forestry and Recreation does not recommend pursuing expansion of ARC through a full cost recovery fee model at this time.

Parks, Forestry and Recreation continues to work with Children's Services and the Toronto Child and Family Network Steering Committee on the implementation of the Middle Years Strategy, which may include the development of new funding mechanisms for the program. There may be new or emerging funding and/or operational models that evolve as a result of these service planning initiatives that could result in increased opportunities to meet the needs of middle childhood aged children in recreation based after-school care. As a result of the implementation of Full day Kindergarten, school age childcare is currently in transition to a new model and it is recommended that Parks, Forestry and Recreation work with these planning and service bodies to review any and all opportunities for further expansion while ensuring program affordability for users.

## **CONTACT**

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## **SIGNATURE**

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Jim Hart  
General Manager, Parks, Forestry and Recreation

## **ATTACHMENTS**

Appendix A – List of After-School Recreation Care (ARC) Program Locations – 2013-2014

**'Appendix A'**  
**Parks, Forestry and Recreation**  
**After-School Recreation Care (ARC) Program Locations**  
**2013 - 20134**

<b>Priority Neighbourhood</b>	<b>After School Recreation Care Location</b>
Crescent Town	Stan Wadlow Clubhouse Terry Fox CC
Dorset Park	Ellesmere-Statton PS Ellesmere-Statton PS (CLASP) – Expansion Site Lord Roberts JPS
Eglinton East/Kennedy Park	Corvette JPS Walter Perry JPS
Flemingdon Park/Victoria Village	O'Connor CC (CLASP) O'Connor PS Sloane PS
Jamestown	John D Parker JPS Elmbank CC
Jane /Finch	Daystrom PS Chalkfarm CC Chalkfarm CC (CLASP) – Expansion Site Firgrove PS Gracedale PS Calico PS St. Wilfrid CS
Kingston/Galloway	St. Barbara CS St. Martin de Porres CS Willow Park JPS
Lawrence Heights	Lawrence Heights CC Regina Mundi CS
Malvern	Berner Trail JPS Malvern CC – New Location St. Barnabas CS St. Elizabeth Seton CS
Scarborough Village	Cedar Drive JPS – New Location St. Boniface CS
Steeles – L'Amoreaux	Sir Ernest MacMillan SPS (CLASP) – New Location
Westminister/Branson	Antibes CC Antibes CC (CLASP) – New Location

**CC:** Community Centre  
**PS:** Public School  
**JPS:** Junior Public School  
**SPS:** Senior Public School  
**CS:** Catholic School