

Our File/N/Réf.
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DATE 31 January 2000

TO/DEST. Co-ordinator
Community Services Committee

FROM/EXP. Commissioner, Social Services Department

SUBJECT/OBJET **CHILD CARE CAPITAL PROJECTS FOR 2000**

DEPARTMENTAL RECOMMENDATIONS

That the Community Services Committee recommend Council:

1. **Transfer \$399,752 from the Child Care Contingency Fund to the Child Care Capital Reserve Fund;**
2. **Approve a maximum expenditure of \$1,986,000 from the Child Care Capital Reserve Fund in 2000 to provide the following capital grants to child care programs:**

Conseil des écoles catholiques de langue française du centre-est (CECLFCE)	\$202,500
Conseil des écoles publiques de l'est de l'Ontario (CEPEO)	\$423,250
Kanata Research Park Family Centre	\$611,286
Coccinelle/Résidence Saint-Louis	\$123,500
The Children's Place	\$200,000
Minor Capital Grants	\$425,000

PURPOSE

This report provides an update on the status of the child care capital projects approved in 1999, outlines the current community requirements for child care capital funding and recommends allocations for the 2000 budget year.

Community Services Agenda, 17 February 2000

BACKGROUND

In 1997 Regional Council adopted a new child care capital funding policy. The policy recognizes the increased system management responsibility of the Region and the withdrawal of all Provincial capital funding, with the exception of health and safety related projects. The Regional policy established three funding streams: health and safety, minor capital and program support, development and expansion.

The new Regional Development Charges (RDC) By-law approved by Council, came into effect August 1, 1999. For the first time, a child care component was included in the RDC calculation to support growth-related capital funding of new child care facilities. To date, approximately \$100,000.00 has accumulated through the collection of RDC's for child care.

The provincial government's school consolidation policy continues to have implications for child care programs that currently operate in school board facilities. Approximately 44% of the 1999 child care capital grant allocations were for the relocation of child care programs that were required to move because of school closures. Some of these child care programs have been successfully relocated while many are still looking for a suitable new location. There has been a great deal of uncertainty regarding school board plans and possible closures due to the complicated nature of the process stemming from the changes in provincial funding. While no further child care programs have been affected to date, it is expected that as the school consolidation process continues, further child care programs will likely be affected.

LONG TERM TRENDS FOR CAPITAL FUNDING

Community Services Committee directed staff, during their deliberations on the approval of the 1997 regional capital grant policy, to develop a long term capital plan for child care services to be incorporated into annual budgets. The child care community has also been undertaking strategic planning processes for english and french child care services in Ottawa-Carleton. This work has been undertaken collaboratively between the Region and the child care community and will be integrated to form the long term plans for child care services in Ottawa-Carleton. Although some components have been completed, such as the inclusion of a child care component in the new RDC by-law, the overall long term child care capital plan for Ottawa-Carleton will be completed after all the components are finalized, reviewed and integrated into a plan. The funding requests and staff recommendations for 2000 capital grant allocations are consistent with the preliminary information and directions of the long term planning process.

Three main components exist for long term capital grant requirements: maintenance of existing infrastructure, growth-related child care development, and new program development to increase current service levels. Service levels, as of 1999, for child care are roughly 12% of the 0 to 9 year old population across the Region, which equates to 1 licensed space for every 8.4 children. This level of service does not meet the current demand from families for child care in the region. Support by the Region for new program development assists more families to access the child care services they

require. The child care service level is higher than the regional average inside the Greenbelt and lower outside the Greenbelt. The maintenance of existing infrastructure would therefore be required more inside the Greenbelt and would include the preservation of existing programs. This type of capital spending must be tax supported through the child care levy.

Current child care services available outside the Greenbelt fall below the regional service average. Growth projections for the 0 to 9 year old population forecast a decrease inside the Greenbelt and a substantial increase outside the Greenbelt. This means that the area outside the Greenbelt is currently under served and also that it is expected that the demand for child care services will only increase outside the Greenbelt. Therefore, growth-related child care development, to maintain the current service level as a percentage of the population, would only occur outside the Greenbelt. Child care development, due to population growth, to maintain the existing service level, could be supported through the child care component of the new RDC by-law.

Since it is expected that the population of children 0 to 9 years of age will only grow outside the Greenbelt, any possible new program development to actually increase service levels above the regional average should also be focused mostly outside the Greenbelt. Child care development to increase the service standard can not be funded through RDC's, but must instead be funded through a tax supported program.

UPDATE ON 1999 CAPITAL GRANT ALLOCATIONS

In 1999, Regional Council approved a maximum expenditure of \$2,624,000 from the child care capital reserve fund to provide capital grants to child care programs. Programs were grouped together according to their circumstances and a global grant allocation was approved for each group. Staff was given the authority to manage the grant allocations to specific centres within each group. The following were the global budgets approved for 1999:

New school construction	\$ 700,000
Programs moving to different schools	\$ 50,000
Programs existing in non-operational schools slated for disposal	\$1,099,000
Community Programs	\$ 650,000
Minor capital requirements	\$ 125,000

In many cases child care programs had identified that they would be required to relocate their centres but did not have detailed financial requirements or new locations determined. For this reason the allocations were to be held for up to three years for centres that were required to move and still actively planning to relocate their program. Regional staff would review the programs each year to ensure a need remained for allocations to be held in reserve. Once all projects within a group were completed or no longer going forward, all unused funds would be returned to the uncommitted balance of the child care capital reserve fund.

New School Construction

The Ottawa-Carleton Catholic School Board (OCCSB) was allocated three capital grants of \$150,000 each for the inclusion of child care programs in three new schools to be built in Bridlewood, South Nepean, and Stittsville. All three projects are proceeding and the schools and child care programs are all expected to be operational for the opening of the 2000/01 school year. The Conseil des écoles catholiques de langue française du centre-est (CECLFCE) was allocated a \$250,000 capital grant to include a child care program in a new school in Chapel Hill in Orléans. Construction is complete and the program is now open.

Programs Moving to Different Schools

As planned the Centretown McNabb program relocated to Centennial Public School and Whitehaven School Age relocated to D. Roy Kennedy Public School. A total of \$30,000 was spent to relocate these two programs. Quatre Saisons was relocated to Andre Laurendeau school and the innovative pilot program between the child care centre and the school was established and is now fully operational. Together they operate an integrated seamless day for four year olds instead of two unrelated programs. It is expected that this program will provide possibilities for enriching the low income area by focusing resources on children under six, providing early intervention opportunities and increasing access to child care. The cost for the relocation of this program was \$45,000. The budget that was established in 1999 for this group was \$50,000, but expenditures to relocate these programs have totaled \$75,000. Regional staff will use the 1999 minor capital fund, which was under spent, to cover the additional \$25,000 in costs.

Programs Existing in Non-Operational Schools Slated for Disposal

Fairview, Youville Centre and Dalhousie Parents are all currently located in OCCSB schools slated for disposal. None of the programs have found a new location in which to operate. Youville has been assured by the OCCSB that they will not proceed with the disposal of the school that the child care program is currently operating in until Youville has found a new location. Youville is continuing to fundraise and is actively looking for possible relocation opportunities. Both Fairview and Dalhousie Parents are still actively searching for possible new sites for their child care programs. The \$1,099,000 assigned for capital grants for these three programs is still required to be held while the programs continue to develop their relocation plans. It is anticipated that further regional funds may be required once all three programs have finalized their plans.

Community Programs

Two community child care programs, Gloucester Heritage and City View Day Care Centre were allocated capital grants in 1999. Gloucester Heritage has completed the work to upgrade their facility and have received their capital grant of \$50,000. Plans for the relocation of City View Day Care

Centre to the JDS Fitel (now JDS Uniphase) campus in South Nepean have been placed on hold at the request of JDS Uniphase. They have deferred making a final decision on relocating the child care facility for 12 to 18 months until they complete the development of their campus. Given this new timetable, JDS Uniphase would reconsider their involvement in the child care program between October of 2000 and April of 2001.

City View Day Care Centre continues to require a new location to operate their program whether or not JDS Uniphase ultimately becomes a partner in the project. The centre is currently looking for alternative options in the South Nepean area while awaiting the response of JDS Uniphase. Two possible locations have been identified. This project was anticipated to require up to a \$1.2 million child care capital grant. The project was originally anticipated to take two years and be completed in 2000. Therefore, the capital grant allocation was divided over two years. Regional Council approved a \$600,000 allocation from the 1999 child care capital budget and a pre-commitment of a portion of the 2000 child care capital budget of up to \$600,000 to provide for the balance of funding required for the City View relocation project to JDS Uniphase.

It is clear that if the City View project proceeds as originally planned the completion date will be delayed until at the earliest 2000/01, not in 1999/2000 as expected when the funding was approved. If the centre does not relocate to the JDS Uniphase campus, but to another site in south Nepean the plans will have to be reviewed by staff and an appropriate capital grant determined. It is recommended that the \$600,000 approved from the 1999 capital grant allocation be held for the relocation of the City View Day Care program, but that the second installment of \$600,000, pre-committed from the 2000 budget be released for use by other projects in 2000. This would enable Regional Council to allocate the funding from the 2000 budget to projects that are closer to completion. The need for additional capital allocation for City View day care will be reviewed for the year 2001.

Minor Capital

Child care capital projects with a maximum total cost of \$40,000 are eligible to receive a minor capital grant of up to 50% of the total project cost. Regional staff has delegated authority to allocate minor capital grants. In 1999, the total budget for minor capital was \$125,000. Regional staff approved 19 projects for a total of \$98,396. As outlined earlier in this report, regional staff allocated \$25,000 of uncommitted funds from this budget to cover costs incurred, but not budgeted in the 'Programs moving to different schools' group. The remaining funds of \$1,604 will be returned to the child care capital reserve fund.

Continuation of 1999 Projects

Regional staff will continue to work with those child care programs that received capital grant allocations in 1999 and have not yet found a new location for their centres. Funding will remain within the group allocations that have been identified for these programs for two more years.

IDENTIFIED CAPITAL NEEDS FOR 2000

The Department has received capital grant requests for 2000 from school boards related to new school construction as well as from community child care programs. No new requests at present have been received due to the school consolidation process. New safety regulations for playgrounds have been developed that will necessitate modifications by child care programs over the next few years. Funding for playground modifications have been included in the minor capital grant funding stream.

The following is the list of projects recommended for funding in 2000, which the Region has received. The list is organized into three main groups by new school construction, community programs and minor capital grants. Through the Program Support, Development and Expansion funding stream, community child care programs are eligible for a regional capital grant contribution of up to 80% of the total project cost. The funding recommendations in this report represent 50% of the total project cost. The grants are recommended at 50% to allow more projects to be supported with the existing funds available for allocation. If there are surplus funds available in the minor capital grants fund at the end of 2000, additional financial assistance may be possible for equipment for some of these projects. Annex A contains a chart that outlines the project costs, funding requests and regional contributions at both the 50% and 80% level. Details regarding the overall financial requirements are contained in the financial implications section of this report.

New School Construction

The Department has received funding requests from two of the four school boards operating in the Region for a total of four child care programs in new schools. All of the planned new schools are to be located outside of the Greenbelt where new child care services are required to meet the current needs as well as forecasted future demand.

Conseil des écoles catholiques de langue française du centre-est (CECLFCE)

The CECLFCE is opening a new school in South Nepean. They plan to open a child care program in the school for preschool, kindergarten and school age children. As with other new child care programs opened in the last two years in new schools, there would be no wage subsidies available to the program. As well, all of the child care spaces in the program would be full fee spaces. The location of the program, in a school and the fact it does not offer infant or toddler care makes this type of program, without subsidies, feasible. The total capital cost for this project would be \$405,000. The CECLFCE requested a capital grant of \$280,000, representing 69% of the total project cost. A regional capital grant of \$202,500 is recommended to support this project

As anticipated in 1999, the CECLFCE continues to plan for a west end elementary school amalgamation similar to the one in the east end they completed at Andre Laurendeau. The initial plans are for the amalgamation of two elementary schools into one new school, to be called Pavillon Terre des Jeunes, which would occupy one or possibly two sites. It is expected that some child care centres may be required to be relocated if these plans are implemented. It is not known if this project will be undertaken in 2000. No funding has been allocated for this project, but if it does proceed in 2000 some assistance could be provided through the minor capital grants fund for the relocation of child care programs.

Conseil des écoles publiques de l'est de l'Ontario (CEPEO)

The CEPEO is working on plans to open new primary schools in Chapel Hill and Kanata and has recently opened École publiques des Sentiers in Cumberland. The Board is requesting a regional capital grant for all three child care programs. Le Centre préscolaire Coccinelle d'Orléans is currently operating a child care program in the school in Cumberland. They are using two classrooms this year, since the school is not full, but the school will require these classrooms next year. The Board would like to build facilities at École publique des Sentiers so that the centre may continue to operate at the school. The total project cost would be \$199,000. The CEPEO requested a capital grant of \$175,000, representing 88% of the total project cost. A regional capital grant for \$99,500 is recommended, representing 50% of the total project cost.

The CEPEO would also like to include a child care program in their new schools in Chapel Hill and Kanata. The total project cost to include a child care centre in each of the two schools would be \$647,500 including equipment. The CEPEO requested a capital grant of \$567,400, representing 87% of the total cost of the project. A 50% regional contribution of \$323,750 is recommended for this project. The total regional capital grant to the CEPEO in 2000 would be \$423,250.

Community Programs

There are three requests for child care capital funding to support community child care programs recommended in this report. All three groups have detailed plans developed and are ready to proceed with their projects.

Kanata Research Park Family Centre

The Kanata Research Park Corporation has plans to sponsor the creation of a multi-service not-for-profit child care agency and parent resource centre. The Kanata Research Park Family Centre program would serve families that work at the Research Park or live in the Kanata community. The facility would be located at the former Newbridge Networks 'Lodge'.

The Family Centre would provide a toddler, preschool and kindergarten child care program and include full day, part-time and flex hour care. The centre would begin by offering a program for 59 children, but would be renovated and licensed for 97 children. It is anticipated to take up to one year to operate at maximum capacity. The parent resource centre would provide services such as parenting workshops, a toy lending, video and resource material library as well as facilitate newsletters, bulletin boards and small group discussions. The Family Centre is interested in further developing their resource programs as needs are identified by the community. The services will be offered on a cost recovery basis, but the Centre has also applied to the Trillium Foundation for program support funding.

The total capital budget required is \$1,222,572 to renovate the present facility to accommodate a child care program and resource centre. The Kanata Research Park is committed to the success of the Family Centre. The Research Park would provide an annual rent reduction of \$130,000 to the Family Centre. They are also proposing to provide all of the construction management services required, valued at \$107,394, which have not been included in the capital project cost. The Family Centre has requested a regional capital grant of \$695,840 for this project, which represents 60% of the total capital budget. It is recommended that a regional capital grant of \$611,286 be approved for the project, representing a 50% contribution.

This project would provide child care services outside the greenbelt, to an under served area of the Region. It is also anticipated that this program would respond to a need for flexible full fee services offered on a part-time basis in child care centres.

Le Centre préscolaire Coccinelle d'Orléans

Le Centre préscolaire Coccinelle d'Orléans currently operates 5 francophone child care programs at different sites in the Orléans area as well as one parent resource centre. They have no subsidized spaces and a limited amount of wage subsidy support for their nursery school program and resource centre. These programs are operated almost totally on a cost recovery basis. They provide care for 471 children at the five locations.

La Résidence Saint-Louis à Orléans is a long term care facility operated by the Sisters of Charity. They also offer a seniors day program. Coccinelle would like to operate a child care centre on the site to serve both employees of la Résidence Saint-Louis à Orléans as well as families in the north Orléans community. The child care program would have a licensed capacity of 26 spaces for toddlers and preschoolers. There would be some integration of the seniors programs and the child care program. Coccinelle would like to renovate space in the facility to have the child care program open by September 2000. The total capital cost of the project would be \$247,000. Coccinelle is requesting a regional capital grant of \$190,000, which represents approximately 76% of the total project cost. A 50% regional contribution to the project of \$123,500 is recommended.

Le Centre préscolaire Coccinelle d'Orléans has completed a feasibility study on this project that demonstrates the demand for the service. There is currently no francophone child care centre north of Highway 17 to serve the North Orléans community.

The Children's Place

The Children's Place operates a 24 hour, 7 day a week licensed child care program at 1150 Carling Avenue. The program has 65 licensed spaces and serves 152 children. The program provides flexible, part-time group care as well as subsidized spaces. The Children's Place would like to expand their program to a new site to ease congestion at their current location, allow them to provide more full fee spaces and to operate a pilot project based on a 'wellness' concept.

The Children's Place would like to purchase a building adjacent to their current site to allow them to meet these program goals. The new building would provide care for an additional 5 toddlers, 8 preschoolers and 5-7 spaces for the wellness project. The building would also accommodate 8-12 children from their current location to ease the congestion at that site.

The wellness program would provide group care for moderately ill children. This type of program is not currently offered in Canada, but programs in other jurisdictions have demonstrated ways of caring for ill children within a group program environment. The wellness program would provide care to the children in a group environment, but at the same time keep them isolated from the rest of the child care centre. The Children's Place is planning on applying to the federal government for a grant through the Child Care Visions Program to undertake research on this approach to care. The Region's Health Department and MCSS are involved in the development of this project.

The total project cost is estimated at \$400,000. A capital grant of \$280,000, representing 70% of the total project cost was requested. A capital grant of 50% of the project cost representing a regional commitment of \$200,000 is recommended.

Minor Capital

Child care capital projects with a maximum total cost of \$40,000 are eligible to receive a minor capital grant of up to 50% of the total project cost. Regional staff has delegated authority to allocate minor capital grants. Regional staff anticipates that funding also will be required to assist community child care programs to respond to the changes in safety regulations for playgrounds. Funding exclusively for playground modifications has been included within the minor capital funding stream for 2000.

Playgrounds

In May 1998, the Standards Council of Canada approved a new safety standard for children's outdoor play spaces and equipment. The new Standard applies to any public outdoor play area, including playgrounds in child care centres. The Ministry of Community and Social Services (MCSS) has, as of

July 1999, adopted the new CSA Standard as an indicator of whether a playground is in a safe and clean condition and kept in a good state of repair. The new Standard applies to new and newly renovated playgrounds and equipment, although there are also some requirements for existing sites. Operators of licensed child care centres, according to MCSS, will be required to meet the new CSA Standard.

As of September 30, 1999 all child care operators are required to have a Playground Safety Policy to assist staff in understanding the supervision and programming requirements to use the playground effectively and safely and to meet the CSA Standard. The new CSA Standard requires that all playgrounds must ensure that the existing surfaces provide proper shock-absorbing performance, such as sand or wood chips, regardless of the age of the site. The Standard also sets out a very detailed maintenance schedule that must now be observed by all child care operators. Other safety standards must be implemented as new equipment or renovations are made to the site.

The Province requires that an annual inspection be performed of child care centre playgrounds and that a comprehensive written report be prepared by a certified independent inspector. The report is intended to assist operators in developing an action plan to eliminate or upgrade existing older equipment and identify a budget for the costs. All new playgrounds and any new playground equipment installed must meet the new Standard.

Child care centres in the Region are currently in the process of having their playgrounds inspected and identifying areas that require remediation. Existing play structures do not have to meet the new Standard and may continue to be used as long as they are in good repair. Many centres are reluctant to continue to use equipment that does not meet the new Standard and have concerns about possible liability. The Day Nurseries Act requires child care centres to provide outdoor playgrounds, but they are not required to have permanent equipment such as play structures installed. Many centres include play structures in their outdoor playgrounds to enhance the play experience of children. The Province has not announced any funding to assist child care centres to meet the new Standard.

It is not feasible for the Region to assist all centres to upgrade their playgrounds to meet the new CSA Standard in a short period of time. Some hazards that are addressed by the new Standard are more serious, such as entrapment problems. Preserving the use of permanent equipment and play structures in child care centre playgrounds is important to the quality of programming during outdoor play time. All child care programs in Ontario will be having their playgrounds inspected over the next year. Regional staff will review the inspection reports with the child care centres and determine the extent of the problem for Ottawa-Carleton and develop a long term action plan for assistance. It is recommended that in the meantime, \$200,000 be set aside this year to assist centres to meet the new CSA Standard. These funds would be made available to the community through the minor capital grant funding stream. Project costs would therefore be cost-shared with the child care programs on a 50/50 basis. In 2000, priority would be given to serious hazards and to small inexpensive projects that would bring playgrounds into compliance with the new Standard.

In 1999, approximately \$98,000 was provided to community programs for minor capital projects and an additional 25,000 was used to cover a shortfall in the funds available to support child care programs required to move to a new school. The total minor capital grants budget for 2000 is recommended to be \$425,000. This amount would be comprised of \$200,000 to assist community child care programs to modify their playgrounds to bring them into compliance with the new safety Standard. It is anticipated that the Region will receive approximately \$100,000 in minor capital grant requests again in 2000. There are a number of community child care programs that regional staff are aware of that may require assistance in 2000. The remaining \$125,000 would be available to allow the Region to respond to these programs. As in previous years staff would approve grants to community programs until the funding stream was exhausted. Any unallocated funds at the end of the fiscal year would be returned to the child care capital reserve fund.

FINANCIAL IMPLICATIONS

The approval of the 2000 budget provided \$1,400,000 in the child care capital reserve fund. There is currently \$100,000 in the reserve fund from accumulated interest as well as approximately \$100,000 from the collection of Regional Development Charges for child care.

This report recommends the transfer of \$399,752 from the child care contingency fund to the child care capital reserve fund and the advancement of the pre-commitment of \$600,000 to City View Child Care Centre from 2000 to 2001. With the approval of these recommendations by Council, there will be \$1,986,000 million available to allocate from the child care capital fund for child care capital grants to the community.

The Child Care Contingency Fund currently has a balance of \$2.1 million.

PUBLIC CONSULTATION

Regional staff has had discussions with the community child care programs as well as the school boards that have requested capital grant allocations in 2000. Regional staff has actively worked with these groups to assist in developing and finalizing their plans. The allocations recommended in this report are consistent with the strategic plans in development with the french and english child care communities.

CONCLUSION

The school boards operating in Ottawa-Carleton remain interested in co-locating child care centres in new schools. This trend is expected to continue over the next few years with the construction of future schools. The continuation of the school consolidation process has been slower than originally expected. This has allowed programs located in schools already identified for closure as well as programs expecting to be affected, more time to plan and examine alternative options. The delays in the school closure process have allowed the Region to consider providing capital grants to support community programs in 2000 that are not affected by this process.

The changes to the CSA Standard for playgrounds will have long term effects on the need for capital grants by the child care community. Over the next year regional staff expect to have a better understanding of the implications of this issue both on individual child care programs and on the capital grant requirements.

The provision of regional child care capital grants for 50% of the total project cost is not an ideal situation. Providing a reduced grant to child care programs will be difficult for some programs to absorb. The lower grant levels have been recommended to allow more child care programs to receive a regional grant, while allowing the Region to remain within the child care capital reserve budget. The transfer of \$399,752 from the child care contingency fund was required to provide capital grants at the 50% level.

FINANCE DEPARTMENT COMMENT

Pending.

*Approved by
D. Stewart*

ANNEX A**Child Care Capital Costs and Grant Levels**

<u>Program</u>	<u>Total cost</u>	<u>Request</u>	<u>80% Grant</u>	<u>50% Grant</u>
CECLFCE	405,000	280,000	324,000*	202,500
CEPEO				
Des Sentiers	199,000	175,000	159,200	99,500
New schools	647,500	567,400	518,000	323,750
Coccinelle	247,000	190,000	190,000*	123,500
Children's Place	400,000	280,000	280,000*	200,000
Kanata Research Park	1,222,572	695,840	695,840*	611,286
Minor Capital			425,000	425,000
Total			2,592,040	1,985,536

* denotes that the program requested less than an 80% child care capital grant. The figure listed in the column shows the exact funding request.