

**2. RESPONSE TO DIRECTION FROM COMMUNITY SERVICES COMMITTEE AND COUNCIL
RE: CHILD CARE SUBSIDY POLICY AMENDMENTS REGARDING RRSPS**

COMMITTEE RECOMMENDATION

That Council receive this report for information.

DOCUMENTATION

1. Social Services Commissioner report dated 2 May 00 is immediately attached.
2. Extract of Draft Minute, Community Services Committee meeting of 1 June 00, follows the report and includes a record of all votes.

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 2 May 2000

TO/DEST. Co-ordinator, Community Services Committee

FROM/EXP. Social Services Commissioner

SUBJECT/OBJET **RESPONSE TO DIRECTION FROM COMMUNITY SERVICES COMMITTEE AND COUNCIL RE CHILD CARE SUBSIDY POLICY AMENDMENTS REGARDING RRSPS**

DEPARTMENTAL RECOMMENDATION

That the Community Services Committee recommend Council receive this report for information.

BACKGROUND

At its meeting of 3 February 2000 the Community Services Committee approved the following recommendations:

1. **That, should an individual or a group of individuals presently using child care services wish to proceed to court on the provincial government's discriminatory new directive concerning RRSPs being treated as a liquid asset, that the Region's Legal Department provide the legal expertise to support such a challenge.**
2. **That the Chief Administrative Officer, along with the Commissioners of Finance, Social Services and the Regional Solicitor develop a strategy to fight the implementation of the Province's policy change on RRSPs and child care. This strategy to include consideration of combining the Region's efforts with other municipalities and other entities or agencies. That a report on this matter be brought to the Community Services Committee at the Mar 2, 2000 meeting.**

LEGAL CHALLENGE

It has been determined that if the Region is to assist in a legal challenge on the discriminatory nature of the RRSP policy, the preferred method is to provide this assistance through outside counsel.

At this time a proposal is being developed which would involve a group of affected families and outside counsel. This proposal is to be reviewed by the Region's Legal Department in the near future.

In discussions on this matter with a range of other municipalities in Ontario there appears to be no activity with respect to a legal challenge currently underway. Several child care advocacy groups have raised the potential for this but we are not aware of any specific actions being planned or taken.

STRATEGY TO OPPOSE THE IMPLEMENTATION OF THE PROVINCE'S POLICY CHANGE ON RRSPs AND CHILD CARE

In advance of a meeting between the Chief Administrative Officer, the Finance Commissioner, Acting Regional Solicitor and the Social Services Commissioner contemplating such a strategy, a review of other activity in Ontario was undertaken.

A number of municipalities in Ontario had maintained RRSPs as liquid assets for the purpose of Child Care subsidy even when the Provincial policy was amended in the early 1990s to permit their exclusion from this determination.

All the remaining municipalities that made the adjustment in the early 1990s, similar to Ottawa-Carleton, have already implemented this policy adjustment in 1999.

The only municipality where this policy adjustment appeared to generate much community interest was in the City of Toronto. The Council of the City of Toronto, in July 1999, directed that this matter be raised with AMO for future government-to-government discussions on social policy and child care. The Council of the City of Toronto also directed staff to formally request that the Province rescind the new policy direction, or failing that, to negotiate with the Province for an annual RRSP cap for each family who receives subsidized child care (presumably above the current asset limits).

In discussion with City of Toronto officials, attempts were made to influence the Provincial Government through all of the directions outlined above and they have as yet resulted in no change in provincial policy.

In light of the fact that this policy is already implemented across the rest of Ontario and advocacy strategies by the City of Toronto have so far proven to be unproductive, the opinion of Regional staff is that a strategy, focused on reversing the provincial policy, is not likely to be successful.

The preferred focus at this time should be to work with each and every affected family in an attempt to mitigate the impacts of this policy through an effective and appropriate disposition of the excess RRSP assets. Where this is not possible, the only course of action remaining would be a planned and supported transfer to a different child care option involving a fee for service. As with every policy, attention will be paid to exceptions and hardship, particularly with respect to disabled and special needs children.

Based on the experience with the City of Toronto, it is now the estimate of their staff that the majority of the 2000 families affected by this policy will be remaining in the subsidized child care program through the appropriate disposition of assets. Between now and September 1, 2000, we expect a similar outcome in this Region.

*Approved by
Dick Stewart*

Extract of Draft Minute
Community Services Committee
1 June 2000

5. RESPONSE TO DIRECTION FROM COMMUNITY SERVICES
COMMITTEE AND COUNCIL RE: CHILD CARE SUBSIDY POLICY
AMENDMENTS REGARDING RRSPS

Councillor D. Holmes, inquired whether the Social Services Department could provide an update on the status of the pending court case concerning the child care subsidy policy and RRSPs. Mr. Dick Stewart, Commissioner of Social Services, stated that initial funding of \$10,000 has been advanced for the legal challenger, and preliminary research is being conducted. He added that updates will be provided on the case, as they are available.

That the Community Services Committee and Council receive this report for information.

RECEIVED