

For Information Only

JCDC Implications for Closure

Presented To:	Community Services Committee
Presented:	Monday, Jan 21, 2013
Report Date	Wednesday, Jan 09, 2013
Type:	Presentations

Recommendation

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Background

This report is a follow up that was requested by Community Services at the December 2012 meeting and details further information regarding possible closure of Junior Citizens Daycare.

Overview

As discussed in the December meeting, the Community Services Standing Committee has asked for further information regarding the implications of closing JCDC in line with the YMCA lease expiry on July 31st, 2015. There are two options that Council can consider in moving forward with a possible closure.

Discontinue New Enrollments Starting In March 2013

Discontinuing new enrollments to JCDC will mean that some children will naturally age out of the program and others would progressively move through the program until 2015. This option provides some benefits to the challenges that were raised in the previous report regarding daycare space capacity in the core of the City along with human resources implications. This option would have a limited impact on existing families in that as long as they kept their space at JCDC they could take an appropriate amount of time to look for another service provider. This means that families would have to maintain enrollment in order to stay in the program. Families sometimes take a "break in service" due to a variety of reasons and under this scenario could not re-enroll if this occurred. This option would also allow for existing spaces to become available in the core of the City for the families that wish to transition before 2015. Furthermore, Children Services staff would be able to plan for a small expansion of new spaces within the community to allow for the accommodation of JCDC parents by 2015.

As the centre reduces in size towards the 2015 closing date, staffing would also be reduced in line with daycare ratios as shown in the chart below. The chart assumes a 20% natural turnover rate in enrollment to account for parents that decide to leave before the 2015 deadline. The managed reduction in staff would allow for a smoother transition over the next 2.5 years as some natural attrition would take place along with giving staff more options to bid into other City jobs or exercising their rights under the collective bargaining agreement.

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Age Grouping	December 2012 Enrollment	December 2013 Projected Enrollment	December 2014 Projected Enrollment	June 2015 Projected Enrollment
Toddlers (1 staff to 5 children)	18	0	0	0
Pre-School (1 staff to 8 children)	31	25	4	0
JK/SK (1 staff to 12 children)	26	24	28	15
School Age (1 staff to 15 children)	38	42	36	36
Total Enrollment	113	90	68	51

** 20% turnover rate incorporated above

Maintain Enrollment until 2015

This option would be slightly less disruptive to families in the short term as it would afford them the flexibility of leaving and then re-enrolling during a break in service. Furthermore, families with siblings would also benefit under this option as they could enroll a younger sibling in the program, resulting in not having to split children between two different child care providers. This option has the potential for problems for families in 2015 if they have not made plans far enough in advance of the closing date to find a daycare space in the downtown core of the City in the latter half of 2015. Furthermore, from a staffing perspective, it could mean that there are more difficulties in placing staff through a bumping process at the date of closure if enrollment numbers remain high into 2015. On the other hand this scenario could present an opposite problem if staff bid out to other jobs over the next 2.5 years and JCDC has to fill vacancies with temporary positions. Early Childhood Educators are now registered with a Provincial College and need to hold qualifications in order to work in the daycare field therefore creating potential workforce problems with trying to recruit qualified staff for temporary positions.

Evening Program

In both options, staff would start the negotiating process with child care providers in the downtown area regarding the start of an evening program. As with most start up situations in daycare, the city provides a start up grant to operators in order for them to enroll children to full capacity at the beginning of a new program. Staff is proposing using an evening program enhancement grant in this case which would be funded from provincial dollars in order to subsidize the cost of starting evening programming at a centre or centres. This grant would take into account the size of the group that is licensed and the corresponding staffing ratio along with a top up for meals. It is anticipated that there will be a transition period at some point over the next 2 years wherein a new centre would start to operate an evening program in order to transition children over to the new program. A natural start date in the first option would be April 2013 and September 2014 in the second option to coincide with the start of the school year. It would take time to integrate children from JCDC into an existing program due to the fact that the evening children can take up a "day" spot depending on when the parent needs the care. Therefore city staff would recommend that the enhanced program grants be paid to the provider(s) over a maximum of two years. After the two year period, staff would look at viability along with the subsidy that is paid to the provider. Based on the hours of care that is currently provided at JCDC the maximum grant provided would be approximately \$30,000 per year. While there are providers that have shown an interest in evening care, staff cannot guarantee a final agreement to replace the programming, even with an enhanced grant. Furthermore, staff cannot guarantee that an evening program will run indefinitely even if it is started. In the end parental demand needs to be sufficient to cover operating costs of running an evening program.

Home Child Care Option

The other option for parents that require evening care is to look at a licensed home child care provider. Currently, Jubilee Heritage Family Resources manages the licensed homes in the area and parents are eligible for child care subsidies in the same way that they would a centre based daycare. Although this program provides parents with flexibility, there are two drawbacks for parents with

this type of service in that there are a limited number of spaces available at this time and there is an ongoing problem with recruitment and retention of providers.

Licensed home child care has limits as to who is placed in care. Currently, a licensed home daycare can only have a maximum of five children at any given time including the children of the provider. Furthermore they are only allowed a maximum of two children under the age of two.

Conclusion

This report is provided for Council's information and staff seeks direction on next steps.

Request for Decision

Junior Citizens Daycare - Service Delivery Options

Presented To:	Community Services Committee
Presented:	Monday, Dec 03, 2012
Report Date	Monday, Nov 26, 2012
Type:	Presentations

Recommendation

For Information Only

Background

This report has been provided to Council as per the direction from the 2013 Budget Planning Session. Staff at that time was asked to prepare a report to look at Municipal Service Delivery options for the Municipal daycare – Junior Citizens.

A Brief History of Junior Citizens Daycare (JCDC)

Junior Citizens Daycare has recently celebrated its 40th anniversary after opening in 1972. The centre has evolved from providing services to special needs children to becoming a full service childcare centre. In 1977, La Garderie Regionale Francophone was opened as a French language option and the two co-existed until they were moved under one roof during the construction of the new YMCA building in 2000. At that time, a lease agreement was entered into by the Regional Municipality and the YMCA to lease approximately 6,000 sq feet for JCDC usage. The lease agreement contains a provision for the total payment of this unit by July 2015 at which time it would be owned by the City. Additional space is also leased at 152 Durham st, which is located in the building beside the YMCA.

Currently, JCDC offers programming from toddler to school age with a total license of 120 spaces and offers evening care up until midnight five days a week. The centre does provide a niche in this area as it is the only operator in the City providing late night care.

JCDC Financial Overview

JCDC currently operates with a mix of funding sources that is flowed through the Ministry of Education and the City. The funding for childcare is complex in that the Province flows both 100% provincial dollars for some programming and 80% dollars for other programming which is topped up by the Municipality for the other 20%. Generally, subsidy for children up to and including the age of five are paid for under Best Start 100% dollars and six to twelve year olds are paid from 80/20 dollars.

JCDC is funded by charging parents a fee or recovering a per diem rate for subsidized parents from the two funding pots. The amount between what is charged to parents less the actual cost of running the operation is the amount that is funded directly by the City. Over the past five years the Municipality has contributed to the operation of the centre as show in the financial overview below:

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	2007	2008	2009	2010	2011	Projected 2012
Actual Municipal Levy Impact	127,954	86,998	124,585	119,540	124,278	129,119

Added Costs of Delivering Child Care through the Municipality

There are added costs for the provision of child care operated through the Municipality. The largest cost driver in a child care setting is salary and benefits which tend to be proportionately higher in a municipal operation versus a commercial or nonprofit centre. Every year the Children Services Section conducts a salary survey and the most recent survey supports this trend. The Registered Educator (RECE) job class has an average wage in the community of \$16.47 and a starting rate of \$24.95 at the Municipality.

The Ministry of Education provides grants to help with the cost of wages, however the City receives less than what a community centre would receive from the Municipality.

The other large cost of operating JCDC is due to the lease agreement with the YMCA. Currently, JCDC pays an annual amount of \$16,400 to the YMCA as part of the lease agreement which will be relieved from the budget in 2015 when the unit is paid in full. JCDC also pays its proportional share of condominium operation costs of \$63,800 per annum (\$10.63 per sq ft). The City also leases additional space at 152 Durham St, at an annual cost of \$18,000 per annum (\$9 per sq ft). The majority of commercial and non-profit providers in the City pay much less in occupancy costs as there has been a provincial directive to move childcare centres into schools. This results in overhead lease costs well under ten dollars per sq foot.

Environmental Scan

Direct delivery has been a recent topic of discussion among municipalities as the discussion around non-core services continues across the province. Most recently, The Region of Peel conducted a review of all of its municipally run centres and came to the following conclusions:

- Phased withdrawal of the Region from direct delivery of child care by September 2014
- Enhance funding for fee subsidy, wage subsidy, special needs supports, quality assurance initiatives and other service priorities and enhancements.

**Early Learning and Child Care Task Force Recommendations – Aug 27, 2012*

As well, the City of Toronto conducted a core service review of its municipal services and decided to move forward with an efficiency review of its City owned daycares which is currently underway.

Locally, Cambrian College decided in 2010 to close its college run childcare centre which produced reported savings of \$250,000 per year. The College was a direct operator of childcare as well and was subject to many of the same cost pressures that the City faces in regards to staffing costs and occupancy costs.

Junior Citizen's Service Delivery

Reflecting on the discussion that took place at the 2013 budget planning session, there remains only two options for service delivery. The municipality can directly deliver the service or JCDC's 120 spaces can be redistributed to other community child care providers. One of the implications of closing JCDC is the ability for the child care system to absorb all of the 120 spaces at one time. School amalgamations in recent years have meant that there is limited space in central area schools in Greater Sudbury to add new spaces at this time. The majority of users of JCDC are from the central area and therefore re-distribution of spaces would be difficult to achieve immediately but could be accommodated over time.

JCDC is the only provider that is open until midnight, a service that is important to families that work shift work. In the event of a withdrawal of service, it is anticipated that a community provider would take on evening services with some type of financial incentive in place. Further negotiations with a provider would need to take place in order to finalize an agreement once direction is provided to staff.

There is a current staffing complement at JCDC of 12 full time and 10 part time and casual staff. Upon

closure of the Centre, collective agreement rights would trigger a lengthy bumping process by which staff could potentially be displaced throughout the corporation until lower seniority staff is laid off. There would also be a surplus of one non-union employee at that time.

The final consideration for Council would be the future use of space at the YMCA. The commercial condominium unit will be paid for in 2015; however the City would still have to pay for the unit until that time. Options for its use include possible sale, or moving another City service or department into the unit. Both of these options would require further investigation due to policies surrounding surplus space, and the costs associated with possible renovations of the space. A report from the Real Estate section could be brought forward to further discuss implications of the lease agreement and options available to council. As mentioned the current annual amount of \$16,400 would be relieved from the budget in 2015.

One method to reduce the implications stemming from an immediate closure is to look at a phased withdrawal based on the natural progression of children aging out of the program along with not accepting new enrollment. This approach would result in annual savings over the next several years with the eventual closure of the daycare. This approach would help to mitigate the following factors:

- Existing families would not be disrupted through this process, and they would have the option to begin to look for other care options if so desired.
- Human Resources implications would be reduced due to natural attrition and the fact that employees would have the option to bid into other jobs over time.
- It would allow for enough time to plan and absorb the child care spaces into other community centres.

Conclusion

This report is provided for Council's information and staff seeks direction on next steps.