

DATE: May 11, 2009

REPORT TITLE: **SUPPORT PROVIDED BY THE CHILD CARE FEE SUBSIDY PROGRAM**

FROM: Keith Ward, Commissioner of Human Services

OBJECTIVE

The purpose of this report is to provide an overview of the support provided by the child care fee subsidy program and to highlight common reasons why families may leave the program.

REPORT HIGHLIGHTS

- Assistance with the cost of child care allows eligible parents to obtain reliable child care in order to participate fully in employment, training and educational opportunities or to meet the family's social or special needs.
- There is a wide range of reasons as to why parents leave the child care fee subsidy program.

DISCUSSION**1. Background**

Child care fee subsidy, administered by the Region of Peel Early Learning Services, provides financial assistance to families who cannot afford the cost of child care on their own. Assistance with the cost of child care allows eligible parents to obtain reliable child care in order to participate fully in employment, training and educational opportunities or to meet the family's social or special needs.

2. Findings**a) Peel Families Using the Child Care Fee Subsidy Program**

7,300 children and 5,700 families receive child care subsidy every month. A snapshot of the make up of families receiving subsidy support as of March 31, 2009 shows the families and ultimately the children being served through the child care fee subsidy program.

75 per cent of the families receiving assistance with child care costs are headed by a sole support parent, whether single, separated, widowed or divorced. The majority of families seek assistance for the care of one child. In terms of annual income, the majority of families are earning \$30,000.00 or less. 73 per cent of the parents receiving fee subsidy do so in order to participate in employment activities.

May 11, 2009

SUPPORT PROVIDED BY THE CHILD CARE FEE SUBSIDY PROGRAM

The charts attached as Appendix I provide specific data outlining the profiles of families being served.

b) Social and Economic Benefits

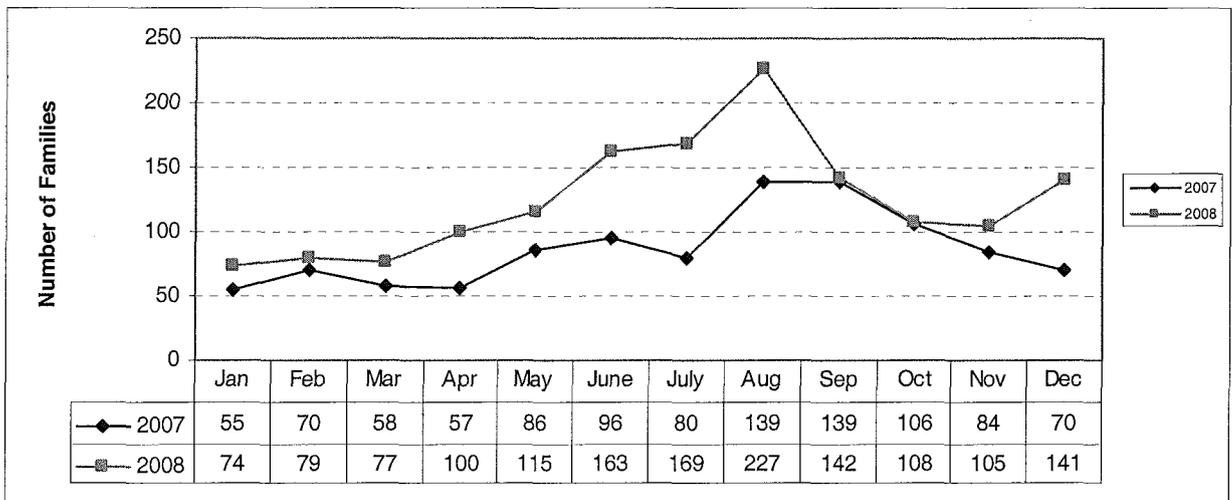
Child care is especially beneficial to children with special learning needs and those from low income families. Stimulating quality child care can have strong and long lasting effects on child development especially around cognitive and social abilities. Research has shown the long lasting impacts of good quality child care on children’s ability to grow and develop into capable students in their school years and later into well-functioning adults.

High quality child care is associated with increased wage earnings for families in the short term and increased wage earning for participating children, in the long term. Child care fee subsidy is essential for the many low-income parents who need reliable care for their children while they work and who cannot afford the high cost of child care on their own. Additional monies that would be spent on child care assist families with their overall household costs and that aids in reducing the levels of family and child poverty. For parents who are on social assistance, access to subsidized child care supports a healthy and sustainable transition to independence.

c) Families Leaving the Child Care Fee Subsidy Program

The choice to use licensed child care is a balancing act for families. Families have to factor in the cost of the care, the convenience of the arrangement in dropping off and picking up their child every day, the apparent quality of the care, the special needs and expressed feelings of the child, the degree of contact with the child’s current friends and many other factors. Due to life situations and dynamics, families do leave the program on a monthly basis as demonstrated in the chart below.

Families Leaving the Child Care Fee Subsidy Program



There is a wide range of reasons as to why families leave the child care fee subsidy program. Children’s Services Workers select from a list of twenty-five categories when documenting the reason a family leaves. Some of the documented reasons include: child exceeds the age requirement; parent no longer meets eligibility requirements, the family moves outside the Region of Peel, parental leave due to a new child in the family

May 11, 2009

SUPPORT PROVIDED BY THE CHILD CARE FEE SUBSIDY PROGRAM

and difficulty finding suitable child care. Care for the children leaving the program may be provided by the parent, relative, friend or neighbour. A survey of parents who left the program was conducted in 2008 to investigate what families who left the program would have needed to continue with the child care fee subsidy program. A reduction in the parent contribution of the child care fee subsidy was the most common response.

Without expansion in child care spaces and/or additional funding, Early Learning Services has to work with the existing funding framework. Natural attrition in the child care fee subsidy program allows for families on the wait list for child care fee subsidy to access the program and/or families in the program to continue receiving their fee subsidy. Recent Provincial announcements extending Best Start funding will improve this situation. A report fully detailing the impact will be provided to Council in June.

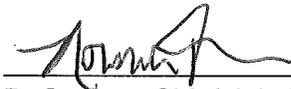
CONCLUSION

Financial support is offered by the Region of Peel through cost sharing with the Ministry of Children and Youth Services to assist families in their cost for child care. This allows children the opportunity to receive quality early learning experiences in a safe environment and gives parents the peace of mind to comfortably work outside of the home or pursue further education.



for
Keith Ward
Commissioner of Human Services

Approved for Submission:



for
D. Szwarc, Chief Administrative Officer

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c. Legislative Services

May 11, 2009

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APPENDIX I

Families Receiving Child Care Fee Subsidy as of March 31, 2009

