



COMMITTEE OF THE WHOLE (PUBLIC)
Report No. 18-118

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Extended Day Program Fee Rates for the 2019-2020 School Year

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PURPOSE:

1. To discuss the basic daily fee rate and the full-day fee rate for optional days for the Extended Day Program (EDP) operated by the Ottawa-Carleton District School Board (OCDSB) for the 2019-2020 school year, as well as to provide details regarding the costing and accounting model for the program.

CONTEXT:

2. In January 2017, the Ministry of Education released Before-and-After School Programs (Kindergarten to Grade 6) – Policies and Guidelines for School Boards. These provisions require that school boards charge fees to parents of students enrolled in the EDP to recover costs incurred by the District. Further, school boards are required to ensure that costs associated with accommodating students with special needs are incorporated into the cost of the program. Third-Party Operators (TPO) set their own fee structures based on their existing business models.

Before the start of May each year, school boards are required to provide the following information to parents and guardians and post on the District's website:

- The fees for before-and-after school programs;
- The process and approach for determining sufficient demand and viability;
- Schools that will and will not be offering a before and/or after school program;
- Information on how to apply for financial assistance from the City of Ottawa for the before-and-after school program; and,
- Notice that if a TPO ceases to operate, the school board will ensure another program will be available.

Appendices A and B provide a summary of the 2018-2019 EDP fees for the OCDSB and examples of TPO fees as provided to date. Appendix C provides a summary of the Ottawa Catholic School Board's fee structure for the EDP.

As of September 2018, the OCDSB provides 63 EDP programs with an additional 31 before-and-after school programs provided by TPOs. As of 01 November 2018, there are 5478 children from the ages of 3.8 to 12 years of age in EDPs operated by the OCDSB (see Appendix D for student enrolment by number of sections chosen by parents/guardians). The OCDSB is one of the largest providers of before-and-after school programs in the province.

Parents have the option of enrolling their children in District-operated EDPs that are offered on professional activity (PA) days, as well as specified days during the winter break and the March break. Summer programs are also available at a number of sites. Parents are surveyed for their interest in these additional programs in a timely fashion during the school year, and where interest warrants, the program is provided.

The District continues to offer a highly flexible program that responds to the varying needs of parents. The EDP parent survey indicated that parents were satisfied with the program and the program fees. The chart below summarizes the EDP fees charged to parents over the last several years.

School Year	EDP Full-Day Fee
2010-2011	\$23.30
2011-2012	\$20.00
2012-2013	\$20.00
2013-2014	\$20.00
2014-2015	\$22.00
2015-2016	\$22.00
2016-2017	\$22.50
2017-2018	\$22.50
2018-2019	\$22.50

The cost for a full day of care on PA days, winter break and March break is \$35.00 per day.

Optional Days EDP Enrolment

Type of Day	Enrolment
PA Days (6)	1161 (avg)
Winter Break 2017 (4)	459
March Break 2018 (5)	500

KEY CONSIDERATIONS:

3. The *Education Act* requires boards to charge and collect fees for the EDP to recover the operating costs incurred by the Board as set out in regulation O.Reg.221/11 (Extended Day and Third-Party Programs). This reflects the statutory requirements that the fees have a reasonable connection to the operating costs incurred.

The Extended Day Policy P.035.SCO issued on 22 April 2014 provides direction for the EDP staffing model used in the before-and-after school portion of the program which impacts salaries. Included in the policy is Board-approved direction that an EDP will be offered at any school site where three or more students register and pay for the program.

Subsidies are managed through a 'purchase of service' agreement with the City of Ottawa, which allows the District to offer subsidized care to children whose families are eligible and approved by the City of Ottawa. In January 2016, subsidies became attached to a family rather than being provided to the service provider. This change provides families with the option of registering their children at their location of choice for child care services rather than where a subsidized space is available. The City of Ottawa determines the number of subsidized spaces available in the city and places families until the maximum amount has been allocated to families. The "floating" subsidy system has had a positive impact on the EDP as we have been able to offer care to more families that qualify for a subsidy. Due to the fluctuating nature of subsidies, the OCDSB had a range from 493 to 499 families receiving a subsidy in the 2017-2018 school year. The OCDSB currently has 643 children with subsidies enrolled in the EDP this school year.

Effective September 2016, the EDP implemented a registration fee of \$50 for each new child registered and \$25 for each returning child.

The EDP conducted a parent survey in the spring of 2018, and the results indicated that 72.07% of parents indicated that they thought the fee for the EDP was reasonable. 20.79% of parents indicated they thought the fee was high, and 0.55% of parents indicated they thought the fee was low.

2017-2018 Financial Results

Appendix E provides a summary of revenues and expenditures for the 2017-2018 school year as well as projections for 2018-2019 and 2019-2020.

As shown in the summary, in 2017-2018 the EDP had an operating surplus of \$905,000. Although there was a modest increase in revenue of \$58,000, the majority of the surplus was derived from cost savings. The significant cost variances were:

- savings of \$300,000 which resulted from the decision to defer the project to acquire program management software until 2018-2019;
- the elimination of \$127,000 in program support costs in recognition of the receipt of Ministry funding for early learning leadership positions;

- savings of \$89,000 related to professional development activities and other small cost variances; and
- savings of \$331,000 related primarily to early learning assistants (ELAs) compensation costs.

A key assumption in the development of the 2017-2018 Budget was that ELAs would participate in the newly established Employee Life and Health Trust (ELHT). It was subsequently confirmed that they would not receive ELHT benefits which resulted in substantial savings relative to the budget.

The EDP's operating surplus has been used to fully support the \$232,000 deficit incurred in 2017-2018 by the Infant Toddler and Preschool (ITP) Child Care program. The net surplus of \$673,000 has been added to the \$213,000 of accumulated surplus that resulted from last year's EDP activities. The net accumulated surplus of the two programs as at 31 August 2018 was \$886,000. The amount has been internally appropriated by the Board for use in supporting the future needs of the two programs.

An initiative that will draw upon the accumulated surplus is the project to implement EDP management software. Features of the new system will result in the automation of various activities including program registration, parent engagement, attendance tracking, and billing and account management. The project is estimated to cost \$300,000.

The accumulated surplus will also be used to offset any net operating deficit that may result from EDP and ITP activities in future years.

Additional financial information on the EDP and ITP programs can be found in Report No.18-102 Analysis of the District's 2017-2018 Financial Results presented to the Audit Committee on 19 November 2018.

RESOURCE IMPLICATIONS

4. The analysis of the 2017-2018 financial results provided insight into various aspects of the program and this was used in preparing the projections for 2018-2019 and 2019-2020 as shown in Appendix E. The projections assume stable enrolment and staffing levels, except for the increased provision which will be used to support children with special needs to fully participate in EDP activities.

The base daily fee and the optional days of care fee are based on projected salary and benefits costs, supply and snack costs, an allowance for administrative support and additional support for children with special needs. Staff is recommending that the full-day rate for OCDSB provided EDP programs remains unchanged for 2019-2020 at \$22.50 per day.

Staff is also recommending that the full-day rate for optional days of care offered by the OCDSB, including PA days and summer holidays, remain unchanged for 2019-2020 at \$35.00 per day.

The net operating results of the EDP and ITP programs in 2019-2020 will be combined with the net accumulated surplus or deficit reported for 2018-2019.

COMMUNICATION/CONSULTATION ISSUES:

5. The Advisory Committee for Extended Day and Child Care Programs has been consulted on the recommendations.

Approval of the fee recommendation will be sought at Committee of the Whole on 15 January 2019 and subsequent approval by the Board on 29 January 2019.

School boards are required to inform all coterminous boards in writing of the annual rate, once approved by the Board.

Fees for EDP will be communicated annually through information provided at kindergarten registration and through school newsletters. In addition, fees will be posted on the OCDSB website.

STRATEGIC LINKS:

6. The District is committed to its strategic plan as a culture that practices ethical decision-making, and social, economic and environmental sustainability. The recommendations proposed have been established to enhance operational practices in relation to the EDP, and to effectively and responsibly manage human and financial resources in support of students registered in the program.

GUIDING QUESTIONS:

7. Is the current fee structure an appropriate costing and accounting model for the Extended Day Program?

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APPENDICES

Appendix A – 2018-2019 OCDSB Extended Day Program Fees

Appendix B – 2018-2019 Third-Party Operator EDP Fees

Appendix C – 2018-2019 Ottawa Catholic School Board EDP Fees

Appendix D – EDP Enrolment by Number of Sessions per Week

Appendix E – Extended Day Program Comparative Results