Strategic Challenge: Current Regina Daycare Landscape

Management Review October 2023

Impact of $10/day parent fees for daycare

- The $10/day parent fees have had no negative impact on the daycare aside from some added administrative work, primarily in terms of reporting and record-keeping.
- The total fees coming in to the daycare are the same, it is just divided up differently between parent fees, subsidy and the Ministry of Education, with the bulk of it coming from the Ministry. The parent fee is covered by IRCC for our LINC clients just as it was before, just a smaller amount. Some slippages have resulted in LINC due to this change.
- The Ministry has essentially eliminated different fees for part time spaces, which at first was going to have a big impact on our revenue due to the large number of shared LINC spaces that are part time and the Ministry would only fund one person in a shared space. However, the Ministry responded to push back from daycares on this and now they are funding all spaces, whether shared or not. This has actually resulted in an increase in revenue for the daycare because our previous full time and part time spaces all now get funded as full time spaces
- The Ministry has put a temporary percentage cap on fee increases until September 2024, but that percentage is very similar to our normal annual fee increases so we are covered for the next increase in April 2024. They have done this while they are working on a new funding model that I expect will be implemented prior to September 2024 and then we will know future processes for parent fee increases

Increased demand for daycare spaces

- With the reduction in the parent cost for licensed daycare, the community demand for daycare spaces has increased tremendously. Our general waiting list is much larger now- 275 children needing spaces. The demand for LINC spaces, however, has not increased much at all.
- We still follow the same process of LINC having first priority to all spaces that become available. Over the past year as LINC has been gradually returning some classes to in-person, even when LINC cannot fill all available spaces, we have held the spaces for them with LINC payment. We can continue to do this while LINC has the budget for it and as long as the held spaces are mostly shared PT spaces. It is difficult to leave full time spaces empty considering the huge demand for daycare
- Due to these held spaces and the small LINC waiting list at this time, we have room for some increased demand for LINC clients
- We do not want to consider removing community clients from their daycare spaces for LINC if the demand increases due to the negative media received a few years ago with the Syrian demand and there was mention of removing community spaces back then. Possible daycare expansion at Smith St could be considered if LINC demand increased significantly and the Ministry's start up funding increased as well. Currently, Ministry funding for start up spaces is not adequate enough for the costs of doing that so expansion is not a consideration at this time.

Recruitment and Retainment of Staff

- Since the beginning of Covid, the daycare has seen much more staff turnover than we have been used to prior to that, but we have always managed to recruit new, qualified staff. Our certification levels are actually higher than they have ever been. We are starting to see an increased number of applications as well for posted positions so things have definitely improved since Covid.
- Without the competitive edge of higher wages that we had prior to the new government initiatives, we have been promoting the additional benefits that we offer, such as SPP and health/dental benefits, a professional and friendly work environment and a high-quality early learning program that is highly regarded in the sector. Once the new ECE wage grid and funding model have been finalized, we would like to consider having wages slightly above the new grid if our budget and the Ministry will allow it
- A change that RODS does need to make by the end of this fiscal year, is to separate the daycare wages from the RODS grid into their own grid so that it can function independently with Ministry expectations and funding. RODS then does not have to worry about the daycare budget being overextended with wage costs resulting from RODS increases. Daycare wages will increase as they can with their funding

Additional Board Questions:

- What issues should be considered by the Board in deciding whether to remain in the daycare business?
- As long as we are providing services to clients that have children under the age of 6, daycare services will be needed. The number of daycare spaces needed for clients will fluctuate as always and having community spaces maintains the operation of our licensed daycare during these fluctuations. Childminding services fully funded by IRCC would be the option if community spaces were not wanted. We don’t see IRCC increasing their funding for child care services.
- How can RODS best prepare to handle pressure from the Province to expand its daycare operations?
- We always need to follow our mission of serving newcomers and provide service based on the best way to do that. Currently we are meeting the demand of LINC clients through spaces in RODS daycare and in community daycares so there is no need for expansion. The Ministry understands our mission and cannot/would not force anything on us

Regina Open Door Society Inc.

Cont’d Board Questions:

- How do RODS’ daycare operations compare to those operated by other agencies in the Canadian Settlement sector and how are other agencies preparing to meet the challenge of the new environment?
- According to information gathered from SODS:
- our operation is very similar with current % of LINC clients vs community clients. 35% - 40% LINC. SODS has 2 locations with 1 location with LINC and community spaces and the 2nd location with only community spaces
- Financially speaking, both organizations have increased revenue as a result of the new enrollment funding
- RODS daycare wages are 18% higher than SODS. SODS is unionized.
- SODS is dealing with changes as they arise just like we are and waiting patiently as well for more concrete answers regarding funding moving forward and staff compensation

Cont'd Board Questions:

- Given that revenue streams are in essence prescribed by two levels of government and that these levels of govt sometimes do not collaborate well, how can RODS best retain fiscal flexibility to ensure that daycare finances do not impact RODs' other programs?
- The daycare needs to continue being operated and managed well with their existing budget. We are hopeful that the future funding model from the Ministry will provide increased funding to meet the operational needs of the daycare
- RODS needs to understand the limitations of the daycare in terms of budget for certain expenses such as rent, shared building/IT expenses etc and continue to make some adjustments accordingly. Being a part of RODS does add some expenses to the daycare budget that they wouldn't normally have so it balances out well

Cont’d Board Questions:

- How can RODS best leverage its network of contacts to ensure that it is fully informed about what is happening now and what is being considered in the future?
- Govt communication has not been very timely during the changes and the public is finding out information at the same time as daycares are and this is out of our control. Tatiana and Keith are kept well-informed as new information becomes available to the daycare and we will continue to discuss the impact as we go.
- Many unknowns have already been filled in from when the implementation began and we expect will continue to do so over the next couple of years until the completion of the agreement. We can update the Board on a more regular basis if that is requested