

**NANAIMO LADYSMITH PUBLIC SCHOOLS
BOARD OF EDUCATION
PUBLIC MEETING
INFORMATION SHEET**

DATE: January 26, 2022
TO: Board of Education
FROM: Mark Walsh, Secretary-Treasurer
SUBJECT: Child Care Rates

Background:

As the Board is aware, the District is currently in the process of building numerous childcare and before and after school spaces at a number of schools. The funding has come from the Ministry of Children and Family Development (MCFD). We have chosen three providers to partner with in the provision of the initial services at Forest Park, Chase River, Ladysmith Primary, and Rock City (the first schools to complete the builds). This memo will outline the District's initial thinking on the rental rate structure for these units as well as other units rented for similar purposes. It will also highlight next steps for consulting with our various partners.

Discussion:

Per Administrative Procedure 528 – Child Care Services and Early Years Programs, the base license fee has been calculated to not exceed but to compensate the board fully for all direct and indirect costs incurred in making the spaces available to the provider.

In determining a rate, the district compared an estimate of the board's total costs to current license agreements where the district is a licensee as well as a licensor, another Vancouver Island School District's rates, and the International Facility Management Association operations and maintenance benchmarks.

As MCFD does not provide any funding for ongoing maintenance, the board's cost calculation includes a capital replacement estimate. This estimate considers the various capital items that will be required to be replaced at some point in the future. These include items such as the building, roof, HVAC, flooring, fire alarm, sprinklers etc. The expected lifespan/replacement value of these items has been used to calculate a monthly amount to include in the total license fee. Also included in the board's cost is an estimate for administration and maintenance/repairs.

In addition to the base license fee, there are also additional fees for items such as alarms, custodial, BC Optional Property Program (BCOPP), and utilities. These fees will be charged to the provider at the cost incurred by the board. As the board's Schools Protection Program insurance covers before & after buildings but not daycares, we are required to enroll the daycare properties in the BCOPP resulting in an additional cost to the district.

The following summarizes the current draft fee calculation for both the daycare and before and after care properties:

	Daycare (200.09m2)	Before & After Care (125.09m2)
<i><u>Base license fee:</u></i>		
Total due/m2/month	12.75	12.75
Base license fee/month (includes costs of maintenance, administration and capital replacement)	2,552.17	1,595.55
<i><u>Additional fees/month:</u></i>		
Alarm	29.00	29.00
Custodial (if applicable)	567.36	354.70
BCOPP Insurance	179.07	-
Utilities	342.17	213.83
Total License Fee	3,669.77	2,193.08

While the District has had preliminary discussions with a number of current partners, given these rates are intended to apply to other facilities as well, staff intend to reach out directly to the selected providers to discuss prior to finalization.

Fundamentally, due to the limits in the School Act the District can only, and would only want to, charge its costs for the facilities. However, previous rate discussions failed to contemplate capital and major system maintenance costs. This will mean a higher cost than we currently charge. As there will likely be a delay between the time the providers begin operations and when they reach 100% enrollment, the district intends to reduce the fees initially charged to the providers to align with their actual enrollment. This recognizes the long-term nature of the partnership as well as the lessened wear and tear on a facility when it has less use.

