



# Hastings County – Childcare Value for Money Review

Summary Report

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**01**

# **Project overview**

# Project overview



## Project Objectives – *How will we define success?*

We understand that the Province of Ontario now requires value for money audits for municipalities that directly deliver child-care services. As such, Hastings County has engaged KPMG to conduct a Value for Money review of the eight before and after school programs at four locations in the County. KPMG will review whether provincial funding is being used efficiently and effectively by the directly operated programs. This review will consider both the financial and non-financial benefits of the directly operated programs and all aspects of value will be considered.

The VFM review will meet the following objectives:

- Complete a financial analysis of directly operated childcare programs in the County
- Describe the economic impact of directly operated childcare for families, the local economy, and the licensed childcare workforce within the service area
- Assess the overall efficiency and effectiveness in meeting the strategic priorities of the Child Care and Early Years Service System Plan, 2019-2024, and other guiding provincial documents, including the impacts of a high-quality workforce and licensed childcare programming.



## Project Principles – *What is important to us?*

- The knowledge and expertise of the County's employees will be fully engaged and built upon, to arrive at recommended actions through a transparent, participative and inclusive process facilitated by KPMG.
- The aim is to, wherever possible, transfer knowledge and necessary tools to the County staff to enable them to better develop their own solutions to operational challenges over time.

# Project phases



**02**

# **Project approach**

# Approach to assessing the current state

The current state assessment was performed using a three-phased approach which included a documentation review, stakeholder consultations, and a three E's assessment.



## Documentation Review

To gain an understanding of the County's current state, KPMG conducted a review of documents including service plans, frameworks, budgets, agreements, and other relevant documents provided by the Project Team.



## Stakeholder Consultations

To establish a baseline of the current state and identify opportunities for change, KPMG engaged with stakeholders representing a diverse range of relevant groups – parents, special needs resourcing agency, school principal, Reg. Early Childhood Educators, as well as County Child Care program management.



## Site Visits

KPMG visited two Hastings County directly-operated before and after school program sites – St. Micheal Catholic School in Belleville and Frankford Public School in Frankford. St. Micheal's school programs were in session at the time of KPMG's site visit, and the project lead was able to observe the programs operations in real time.



## The three E's assessments

KPMG evaluated the current state of the County through the lens of **economic** outcomes, process **efficiency**, and program **effectiveness**. The team reviewed the economic landscape relating to the labour force, assessed the efficiency of all operational processes, and identified whether the childcare programs are meeting strategic priorities. The economic, efficiency, and effectiveness insights gained from this assessment provide a clearer understanding of the County's current position and the key factors influencing performance.

# Value for money components

01

## Economic Assessment

This describes the economic outcomes for the local economy, families, and children in the County's service delivery area. This assessment was completed through the evaluation of the outcomes provided by the childcare programs and the overall value of access to high-quality, licensed child care for children and families. This assessment includes the economic impacts of labour force participation for community members as well as the social, health, and economic outcomes for children.

02

## Efficiency assessment

This reviews whether the child care operational processes are running smoothly and efficiently, assessing staff productivity, ensuring staff are engaged in activities with children that constitute their highest and best use rather than administrative tasks. This assessment also considers whether operational processes are optimized to address the local and provincial priorities (i.e., childcare services) at the minimum cost.

03

## Effectiveness assessment

This assessment describes the effectiveness of the child care programs in meeting the strategic priorities of the Children's Early Years Division and provincial guiding documents for licensed child care and early years programs. This includes the impacts of a high-quality workforce and licensed child care programming. This assessment is based on the findings from earlier work in this phase.

# Hastings County – Value for Money Review

## Assessment criteria

KPMG used the following lines of inquiry to support the review: stakeholder engagement, parent survey, budget and financial statement analysis, desktop research, workforce planning documentation, and program statement outcomes assessment.

Assessment area of focus	Metric	Definition
Efficiency	<b>Cost per child served</b>	Measures how much it costs the County to provide services per child and compares this to regional or provincial benchmarks. <b>Calculation:</b> Total expenditure on childcare programs / Number of children enrolled
	<b>Staff-to-Child Ratio</b>	Ensures compliance with provincial standards while assessing whether staffing levels are optimized for service delivery. <b>Calculation:</b> Number children / Total number of staff positions in each classroom.
	<b>Occupancy Rate of Childcare Spaces</b>	Measures whether available childcare spots are being fully utilized, identifying potential gaps or inefficiencies in capacity planning. <b>Calculation:</b> (Number of filled childcare spots / Total available licensed spots) *100
	<b>Percentage of budget allocated to direct services vs. administration</b>	Assesses how much of the budget goes directly to childcare services versus overhead/admin costs, ensuring funds are spent on frontline services. <b>Calculation:</b> (Direct program expenses / Total budget)
Economy	<b>Staff wage competitive index</b>	Assess whether the County offers competitive wages, which impacts staff retention and recruitment in sector. <b>Calculation:</b> (average hourly wage of employees in county/provincial benchmark)*100
	<b>Local Economic Impact</b>	Assesses the economic outcomes for the local economy, families, and children in the County's service delivery area through the economic impacts of labour force participation for community members and RECEs.
Effectiveness	<b>Percentage of Low-Income Families Served</b>	Measures whether the program is reaching its target population and aligning with Ontario's Access and Inclusion Framework. <b>Calculation:</b> (Children from low-income families enrolled / Total enrolled children) *100
	<b>Workforce credentialing rate</b>	Measures the proportion of staff with formal ECE qualifications, ensuring a high-quality workforce aligned with strategic goals. <b>Calculation:</b> (Number of registered early childhood educators (RECEs)/ Total number of staff)*100
	<b>Parent Satisfaction Score</b>	Evaluates service quality from the user perspective, ensuring families find the program accessible and beneficial. Survey-based (e.g., % of parents rating services as satisfactory or higher).

**03**

**Value for Money  
summary of findings**

# Assessment criteria: Efficiency

Metric	Lines of Inquiry	Definition	Findings
<b>Cost per child served</b>	Financial statement and budget analysis (2024 and 2025)	Measures how much it costs the County to provide services per child and compares this to regional or provincial benchmarks. Calculation: Total expenditure on childcare programs / Number of children enrolled	<ul style="list-style-type: none"> <li>The cost per child served increased between 2024 actuals and 2025 budget by 29% due to the cost-based funding allocation as a result CWELCC, which allowed the County to account for portions of full-time and management staff salaries dedicated to the before and after school programs that have traditionally been absorbed by the County's overall operating budget.</li> <li>Parent fees and subsidies primarily finance the program, accounting for 52% to 70% of the overall program costs representing a stable and reliable revenue stream that significantly mitigates risk.</li> <li>Non-payroll expenses make up between 9% and 15% of the overall program costs, far below the national average of 25%. The County has controlled operational expenses by forming effective partnerships with local schools, EarlyON, and school boards, which enable the sharing of facilities for their programs.</li> </ul>
<b>Staff-to-Child Ratio</b>	Stakeholder consultation and program financials	Ensures compliance with provincial standards while assessing whether staffing levels are optimized for service delivery. Calculation: Number children / Total number of staff positions in each classroom.	<ul style="list-style-type: none"> <li>Hastings County's meets the provincial standards for staff to child ratio and has optimized staff for service delivery. This demonstrates the efficient use of resources, as it avoids overstaffing which could lead to unnecessary expenditures.</li> </ul>
<b>Occupancy Rate of Childcare Spaces</b>	Stakeholder consultation and program financials	Measures whether available childcare spots are being fully utilized, identifying potential gaps or inefficiencies in capacity planning. Calculation: (Number of filled childcare spots / Total available licensed spots) *100	<ul style="list-style-type: none"> <li>The County's before and after school programs occupancy rates range between 77% to 100% across the four schools. This demonstrates high utilization and effective capacity planning.</li> </ul>
<b>% of budget direct services vs. admin</b>	Program financials and workforce planning documentation	Assesses how much of the budget goes directly to childcare services versus overhead/admin costs, ensuring funds are spent on frontline services. Calculation: (Direct program expenses / Total budget)	<ul style="list-style-type: none"> <li>Each of the locations spend the vast majority of their time (ranging from 93.24%-96.12%) on program delivery of the before and after school programs. Less than 7% of time, across all locations, is spent on other tasks such as administrative responsibilities and training initiatives.</li> </ul>

# Assessment criteria: Economy

Metric	Lines of Inquiry	Definition	Findings
Staff wage competitive index	Financial statement and budget analysis (2024 and 2025)	Assess whether the County offers competitive wages, which impacts staff retention and recruitment in sector. Calculate by doing the following: (average hourly wage of employees in county/provincial benchmark)*100	<ul style="list-style-type: none"> <li>Hastings County’s average wage (\$30.32*), is higher than the highest Kingston-Pembroke wage (\$28.58) and also higher than the highest RECE wage across Canada (\$29.05)**. This suggests that the County offers competitive wages, and is committed to be the employer of choice for RECE’s in the area.</li> </ul>
Local Economic Impact	Desktop research, Financial statement and budget analysis (2024 and 2025) <i>*Sources for economic impact calculations noted below.</i>	Assesses the economic outcomes for the local economy, families, and children in the County’s service delivery area through the economic impacts of labour force participation for community members and RECEs.	<ul style="list-style-type: none"> <li>As an employer of choice for RECE’s, Hastings County directly-operated before and after school programs support local economies by employing community-based professionals in secure, unionized roles with competitive wages and benefits. These earnings are largely reinvested locally, stimulating consumption in retail, housing, and services. Using standard economic multipliers (2.0–2.5 for service sector wages)*** the impact from the County’s local employment of RECE’s equates to approximately \$788,572 generated per year in economic activity in local spending, supporting other local businesses and services.</li> <li>County-run programs directly enable hundreds of parents to remain in the workforce, stabilizing local labour markets and contributing to local economic productivity. Additionally, the County provides child care fee subsidy to low-income families, the majority of which state that they would not be able to continue to work if they did not receive this support.**** Based on national estimates from Statistics Canada and the Centre for Future Work (2020), each parent enabled to work by access to child care contributes approx. \$50,000–\$70,000/year to GDP. The economic impact of local workforce support from families receiving fee subsidy equates to over \$2.3 million per year in economic activity*****</li> </ul>

\*Note: Hourly wage based on OPSEU Level 5 2-yr. rate in lieu of benefits for Part time staff

\*\*Source: Early Childhood Educator (ECE) in Ontario | Wages - Job Bank 2022-2023

\*\*\*Source: YMCA Canada, Centre for the Study of Living Standards “Addressing the Early Childhood Educator Labour Shortages in Canada: Challenges, Solutions, and Impacts”

\*\*\*\*Source: Hastings County Service Plan (2019-2024), p. 22

\*\*\*\*\*Source: Statistics Canada and Centre for Future Work (2020)



# Assessment criteria: Effectiveness

Metric	Lines of Inquiry	Definition	Findings
Percentage of Low-Income Families Served	Stakeholder consultation	Measures whether the program is reaching its target population and aligning with Ontario’s Access and Inclusion Framework. Calculation: (Children from low-income families enrolled / Total enrolled children) *100	<ul style="list-style-type: none"> <li>Forty seven per cent (47%) of the families surveyed for this review reported their annual household income was less than \$100k/year. Trent River’s programs have the highest percentage of low income families served, with 51% of children accessing child care through the support of fee subsidy, and St. Micheal’s had the lowest with 14%.</li> </ul>
Workforce credentialling rate	Stakeholder consultation and workforce planning documentation	Measures the proportion of staff with formal ECE qualifications, ensuring a high-quality workforce aligned with strategic goals. Calculation: (Number of registered early childhood educators (RECEs)/ Total number of staff)*100	<ul style="list-style-type: none"> <li>Hastings County has historically had a policy of only hiring Registered Early Childhood Educators (RECEs), but has recently began hiring other credentialed staff to lead their programs due to ongoing recruitment and retention challenges for the RECEs.</li> <li>The County has a 100% workforce credentialling rate. This indicates a high level of staffing compliance with credentialing requirements, which is essential for maintaining quality care in child care settings.</li> </ul>
Parent Satisfaction Score	Parent survey, Program statement outcomes assessment	Evaluates service quality from the user perspective, ensuring families find the program accessible and beneficial. Survey-based (e.g., % of parents rating services as satisfactory or higher).	<ul style="list-style-type: none"> <li>90% of respondents felt the program meets their family’s needs</li> <li>98% of respondents were either satisfied or very satisfied by the quality of care their child receives</li> </ul>

# Parent Survey Feedback

The caregivers are excellent. I know my children are well cared for and that if there are any issues they will be addressed with us. The convenience of having the kids looked after at the school until we finish work is perfect.

My girls are very happy in afterschool care and they enjoy their time playing outside and crafting.

Having morning program would be beneficial to a lot of parents.

My kids love attending the after school program which makes me feel better that they have to stay after school.

There is a great balance of outdoor and indoor play. Our child is very happy to attend aftercare and sad when they have to miss it. Communication with staff is great as well as with administrative support.

Staff and activities have been excellent. Times are helpful with work. I am very satisfied with quality of care. My child wants to stay as long as possible.



I love that my child also has a healthy after school snack during after school care.

I would love the opportunity to enroll in care for Summer care.

Darlene is amazing!! Truly the best.

We are so happy with the program, our son has loved his time there so far - it's what he looks forward to most about his school day. He's made friends, his speech has improved and he's learning lots of new ways to express himself, emotionally, with the support from the staff.

**04**

# **Opportunities**

# Hastings County – Value for Money Review

## Opportunities

The performance of the County's directly managed before and after school programs is commendable within the scope of this Value for Money review. KPMG found limited areas where operational enhancements could further increase the value provided to parents, the province, and other program funders. Four opportunities were identified that involve additional investment in professional development and educator support, as well as strengthening engagement with parents.



01

### RECE annual membership fees

The County could consider assessing the potential return on investment for sponsoring the annual membership fees for Registered Early Childhood Educators (RECE). Stakeholder consultations have indicated that such an initiative would add significant value for educators, and this initiative would require minimal additional financial contribution from the County and would be highly appreciated by the staff.

02

### County BASP participation in JK orientation

It was suggested that children entering Junior Kindergarten, the County and schools could have parents fill out a questionnaire for Registered Early Childhood Educators (RECEs) to improve their understanding of the children. Additionally, hosting the County's Program Supervisor during the parent orientation night could serve as an opportunity to promote the program.

03

### Parent Engagement

Respondents to the parent survey indicated that there is an opportunity for the County to enhance their engagement and communication with parents. A number of parents expressed a desire for increased communication regarding program activities and more frequent communication from the educators.

04

### Allocate more training hours for professional development

Staff consultations revealed a strong appreciation for the training and professional development opportunities provided by the County. To enhance recruitment and retention, the County might consider increasing its investment in these areas, thereby further positioning itself as the preferred employer for Registered Early Childhood Educators (RECEs) in the region.

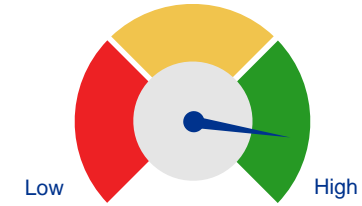
**05**

# Summary

# Value for money review performance summary

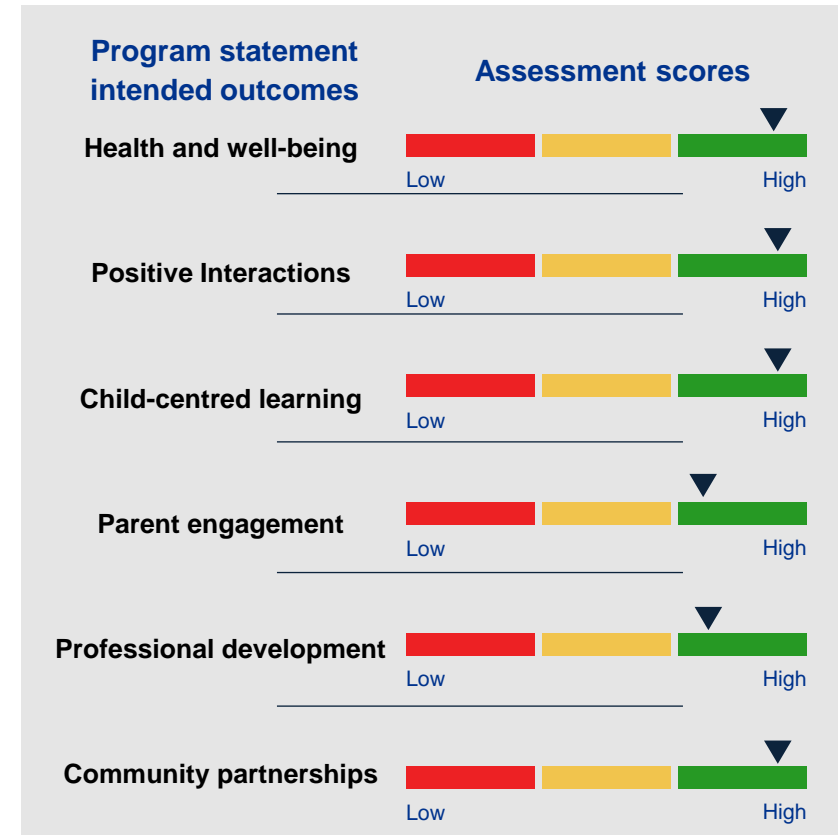
KPMG’s Value for Money Review of Hastings County’s directly operated before and after school programs provides an in-depth analysis, evaluating financial and operational efficiency, effectiveness, and economic impact.

Overall assessment:  
**Excellent**



**Overall Assessment:** The overall assessment of the Hastings County programs is rated as "Excellent."

The review emphasizes strong financial management, effectiveness in service delivery, and positive economic impacts supporting local families and communities.





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