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### **Child Care Funding Formula Changes in 2013**

The new funding formula changes the way that all child care funding flows from the province to local CMSMs and DSSABs to deliver child care in our communities.

It simplifies the way funding is delivered and means that there are far fewer strings attached now.

Mitigation over the next three years means that no municipality will receive less funding right now, and therefore, we should not be seeing cuts to services.

So our job is to make sure:

- Every child care dollar stays in child care
- No child care centre receives any less in operating grants
- That **parent fees** *do not* go up any more and salaries **do not** go down
- And finally that there is *always* full public consultation before any changes are made

#### **What changes:**

Wage subsidy and wage enhancement are rolled into the general operating category.

There are no longer dedicated line items or allocations for wage subsidy or wage enhancement. Those two categories have been integrated into the new Core Services category.

The main categories for provincial child care funding are now:

- Core Service (718.4 million)
- Special Purpose (small subsidies for aboriginal, rural, French) (\$30 million)
- Minor capital (8.8 million)

Total provincial child care funding is \$922.1 million (does not include approximately \$148 million in municipal cost-sharing).

## Positive aspects of the new formula:

- Fewer line items mean simplified reporting for child care centres and CMSM's and DSSAB's.
- The new funding formula, (described as equitable, transparent and streamlined) is based on demographics, low-income cut off, educational attainment and social assistance case load by region – it is therefore more up to date than the 20 year old formula of the past.
- CMSM's and DSSAB's must spend a minimum of funding on children with special needs.
- New capital funding is restricted to not-for-profit child care programs.
- There is a cap on the amount municipalities can spend on administration

## Next steps:

As a result of the new formula, CMSMs and DSSABs will be looking to change the way they deliver child care funds.

The simplification of the funding formula also means more flexibility and the possibility for more variation across the province.

As community members we need to become a 'neighbourhood watch' to keep an eye on changes and help to protect and enhance child care services in our communities.

## For more information:

Ministry of Education Child Care Memos are available at:

<http://faab.edu.gov.on.ca/CCMemos.htm>

Funding Formula Memos:

2012 - ELCC 15 [Memo to Municipal Service Managers](#) (10 pages)

Both as attachments to ELCC 15:

[Child Care Funding Technical Paper](#) (31 pages)

[Ontario Child Care Service Management Funding Guideline](#) (84 pages)

## Resources

Ontario Coalition for Better Child Care

[www.childcareontario.org](http://www.childcareontario.org) (child care news and campaign information)

Contact us:

[info@childcareontario.org](mailto:info@childcareontario.org) or 1-800-594-7514

New outreach tool – Parent survey on child care options in Ontario

[www.childcareontario.org/survey](http://www.childcareontario.org/survey)

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