

# County of Wellington Child Care General Operating Grant: Funding for Quality and Decent Work for the Child Care Workforce

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This past September the County of Wellington Child Care Services turned a few heads when Wellington County Council passed our local strategy for the General Operating Grant for child care programs located in our service delivery area of Wellington County and Guelph.

General Operating Grants are part of the new funding formula and funding framework guidelines designed by the province to replace wage subsidies for all licensed child care in Ontario. The purpose of the General Operating Grant is to support the costs of operating licensed child care programs in order to reduce wait times and fees for service, stabilize service levels and improve access to high quality early learning and child care services.

Designing a new operating grant strategy seemed daunting at first but then we decided to follow our CAO's motto, "do it right or don't do it all" and took a bold step in putting a well-researched price tag on a strategy that will lead to meaningful results on what we were asked to achieve. Our strategy gives us the right direction and the path to start meaningful progress for our local child care system.

The Wellington General Operating Grant strategy is based on everything we know about the best way to sustain and maximize the current child care system for children birth to 4 years old. It is based on quality, increasing utilization rates, increasing full time employment opportunities for RECEs while keeping fees to families at their current rate, if not lower.

What turned a few heads is that our strategy is rooted in quality and therefore includes a \$20.00 per hour minimum wage standard for RECEs and child care workers in order for operators to receive their full allocation of General Operating Grant funding. There is now formal acknowledgement by our Council that we need to do something about low wages for RECEs that have historically helped control the gap between revenue and expenses levels in child care programmes. They agree that we need to do something meaningful about wages because we know how connected wages are to quality in child care and quality child care is invaluable to the community at large.

## **Taking an opportunity, making a small difference ... growing it into a big difference**

As the Director of the Child Care Services department at the County of Wellington for more than 8 years now, I have always been mindful that child care workers' wages is a consistent and nagging theme in all of our work. The research on child care quality is firm on this too: low wages and poor quality child care are connected. I am also aware that the *human resources* of the child care sector – the RECEs and child care workers – have an impact on every aspect of child care service system management.

Wages are always the major portion of a child care programme's budget (even when RECEs and workers are paid minimum wage). When public funding doesn't cover operating costs, the revenue has to mainly come from families and we know that increasing user fees to pay for child care is not an option for child care programs to be generating more revenue. Research confirms that the cost of child care is already so discouragingly high for many families that many make a choice not to work or to seek out unregulated care arrangements.

It has only been under the recent Ontario Early Years Framework – and, specifically, only once Ontario introduced the General Operating Grant as a new funding mechanism that we as the local child care service system manager have been able to actively strategize about making a difference in how we fund the operation of child care programmes and address quality in a different way – through wages and ongoing professional development.

The Wellington General Operating Grant is quite simple - it is designed to publicly fund the most important (for children) and most expensive (for families and operators) aspects of a high quality, full time, full year spaces at licensed capacity levels in the modernized early learning and child care system.

This block funding strategy for all approved costs of child care operation is built on two main premises that are both *very* connected to early childhood staff wages:

1. When child care operators allocate 80% of their operational budget to staff wages and benefits the programs are likely to be higher quality. Hence, child care program operators will be held accountable for allocating 80% of their operational budgets to staff wages and benefits in Wellington Child Care General Operating Grant funded programs.
2. Better wages of early childhood education staff in child care is essential to high quality. Hence, a Wellington ideal wage standard of \$20 per hour for early childhood education staff has been established as a basis for improving child care wages in our area.

We are confident that our strategy is just the beginning of something new and different. And while it requires more public money invested to be fully implemented, we at least have a framework for how we will spend our available resources and for where we will allocate any additional resources with the full support of our Council.

In 2016, under our new General Operating Grant Agreements, all programs have committed to budget for quality, meaning that approximately 80% of their overall revenue will be allocated to wages and benefits (with no more than 10% of this allocated to administration), 17.5 % to other operational costs and 2.5% to professional development for all staff. Subsequently, all licensed child care programs serving children from birth to 4 years in our area will receive an increased funding allocation resulting in most child care workers receiving a wage increase in addition to the provincial Wage Enhancement Grant.

We hope that our work on the General Operating Grant strategy might provide RECEs and child care workers who are working in the child care sector with some optimism about their future and about the possibility that they may be able to remain in their chosen careers for much longer than they do now. We hope they stay with us on this path of meaningful progress.