



Early Learning and Child Care Needs Stabilization Funding to Prevent Increases to Parent Fees and Child Care Centre Closures

A Submission to the Standing Committee on
Finance and Economic Affairs

Government of Ontario

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The Ontario Coalition for Better Child Care (OCBCC) is a non-partisan advocacy organization that was founded in 1981 to advocate for universal, high quality, not-for-profit regulated child care in Ontario. Our membership includes representatives of more than 800 organizations and individuals in the child care and early learning sector.

Overview:

The Ontario Coalition for Better Child Care is proposing a plan to stabilize Ontario's early learning and child care system with \$100 million in the 2011 Budget, with a commitment of \$200 million in the 2012 Budget.

1) Parent fees are not affordable for the majority of families in Ontario.

Ontario's child care system depends on full-fee paying parents. Child care subsidies, available to families who are having trouble paying for child care, only match what full-fee parents are paying. Many centres rely on at least 50% of their families paying the full fee.

Parents have reached the breaking point in terms of being able to afford quality licensed child care. Most parents pay \$40 to \$60 a day, or \$10,000 to \$15,000 per year, per child.

With Ontario's new Early Learning Program, child care centres will specialize in younger children and many centres are projecting fee increases of 15 to 30 per cent.

2) Ontario is facing a shortage of qualified staff because of low wages.

The Ontario Coalition for Better Child Care estimates the average hourly wage is \$14 an hour. Unfortunately, many qualified early childhood educators leave child care because they are underpaid. Federal statistics show that 41% of trained early childhood educators are currently working in other fields.

Quality child care depends on qualified staff. A high quality child care program spends 80% of the total budget on staff. As child care centres depend on full-fee paying parents, raising wages is impossible without significantly increasing fees paid by parents. We need a new funding model that does not rely on ever-increasing parent fees.

Impacts from new Early Learning Program: Ontario's early learning and child care programs have been underfunded over the past 15 years. However, Ontario's new Early Learning Program threatens to make the financial crisis for child care even worse.

In 2012, half of Ontario's four and five year olds will be in a full-day kindergarten program and impacts to existing child care programs will be widespread. A two year budget commitment, with the majority of money committed for the 2012 budget, will allow municipalities and child care centres to plan ahead and ensure stability as the impacts from early learning grow as well as transition to our role of specializing in education and care for younger children.

In the last provincial election, Dalton McGuinty ran on the promise to create a full-day learning program. But more than that, he said that this program would *free up spaces* in child care and actually make it *more affordable*.

He commissioned Dr. Charles Pascal to write a report on how we could remodel our early learning system. Pascal's report, "With Our Best Future in Mind", laid out a vision for a comprehensive and seamless program for all children from pre-natal to twelve years of age. It involved not only full-day kindergarten, but additional investments for

children from infants to four, an integrated extended day program for four and five year olds, as well as affordable after-school programs for children from six to twelve.

The report also called for child and family centres to be created. These new centres would have child care at the core, as well as integrate other programs for children and families including family resource programs/drop-ins, family literacy and public health. These were intended to mitigate the impact of the early learning program on the child care sector. As four and five year olds moved into schools, child and family centres would use combined resources and savings to enable licensed child care centres to remain viable.

According to the report, Child and Family Centres were to have been established at the same time as the full-day learning program for four and five year olds. Unfortunately, the government is still studying Child and Family Centres and they will not be present to stabilize our current programs.

Another important aspect of Dr. Pascal's report was the integrated, board-delivered extended day for children enrolled in the full-day Early Learning Program. This would have provided seamless staffing and programming for children. With school boards assuming responsibility for all four and five year olds, \$119 million saved from wage subsidies was to have been reinvested in younger children through early learning and child care programs. With the recent announcement that the government is seeking to amend the legislation to allow child care centres to operate after school programs, there will be no savings.

What We Need?

We Propose a New Direct Grant to Child Care Centres to Limit Fee Increases

To prevent fee increases for families due to the loss of four and five year olds from child care, we must have a plan for centres to be able to keep fees stable.

Younger children require higher ratios of staff to children. If child care centres are to specialize in younger children, the fees will rise.

To ensure that parent fees do not increase, we propose that government funding should cover the increased cost for all licensed child care operators.

We Propose a New Direct Grant to Child Care Centres to Increase Wages

To ensure we have qualified staff in licensed child care, we propose a new direct grant to increase wages. To be eligible to receive the new wage grant, child care centers would have to be paying all staff a minimum of \$14.00 hour. If centres meet that minimum, they would be eligible for a direct grant to \$5.00 per hour, meaning most Registered Early Childhood Educators would make \$19.00 an hour.

The incentive is equally as valuable to centres that are already paying above this "minimum" since all centers would receive this wage increase. This would allow many centres to offer wages comparable with Registered Early Childhood Educators working in school boards.

In the 2011 budget, we call on Premier McGuinty and Finance Minister Dwight Duncan to:

1. Commit to \$300 million in new permanent provincial spending on early learning and child care. The funding can be allocated over two years and will stabilize our current child care system by limiting fee increases and raising wages of staff;

\$100 million in the 2011 Budget, with a commitment of an additional \$200 million in the 2012 Budget.

2. Preserve Space of Licensed Child Care Centres in Schools: 50% of Ontario's child care programs are in schools. With licensed child care under the Ministry of Education, the Ministry needs to ensure child care centres in schools are non-profit, have rent-free space and will not be evicted to make room for the new Early Learning Program.
3. Ensure that after-school programs be run by non-profit child care operators, with rent-free space. Ensure that schools and child care operators collaborate and that salaries and benefits for early childhood educators be comparable those Registered Early Childhood Educators in the full-day kindergarten program.
4. "Grandparent" existing for-profit child care centres. For-profit licensed child care, representing approximately 23% of Ontario's child care spaces, is an integral part of our current child care system. "Grandparenting" means those programs should be eligible for stabilization funding as proposed in this submission and the current funding directed to child care programs. New child care licenses should be available only to non-profit, First Nations, and municipal child care operators.

Ontario Falling Behind

Our neighbouring provinces – Quebec and Manitoba – have funding models which include direct (base) funding to early learning and child care programs to make child care affordable and improve wages and benefits in the child care sector.

In Quebec, the provincial government directly funds child care centres. The centres bill parents for 20% of the cost of the service, or \$7.00 a day. The direct funding to child care centres supports decent wages, benefits and a pension system for child care staff.

In Manitoba, the provincial government also directly funds child care centres. Parents pay no more than \$18.80 a day. In 2008, Manitoba committed to a five year plan to raise the wages of child care staff by 20%. On December 1, 2010, Manitoba launched a province-wide pension plan for child care staff where the government matches RRSP contributions.

We recognize and continue to advocate for federal funding for early learning and child care programs to ensure that all families who need this vital service can have access to high quality child care programs. Early learning and child care is good for children, good for parents and a good economic investment for all levels of government.