

*COALITION ONTARIENNE POUR
de meilleurs services
éducatifs à l'enfance*



*ONTARIO COALITION FOR
Better Child Care*

ONTARIO COALITION FOR BETTER CHILD CARE: PRE-BUDGET BRIEF

TRANSFORMATION TO A QUALITY CHILD CARE
SYSTEM ALL FAMILIES CAN AFFORD AND TRUST

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WHO WE ARE

The Ontario Coalition for Better Child Care is Ontario's central advocacy group for a universal, affordable, high quality system of early childhood education and care. Formed in 1981, the OCBC is a member organization comprising non-profit child care centres, local and provincial groups and individuals from all across Ontario. Our members are early childhood educators and parents, centre directors, trade unionists and social activists. Most importantly we are people who care about child care.

WE ARE CALLING FOR

To begin the transformation to a high quality non-profit child care system:

- **Allocate \$635.5 million as a down payment on affordability; begin operational funding of all licensed infant and toddler spaces in child care centres and establish a sliding fee scale in 2018-19**
- **Commit \$375 million as a first step to establishing a province-wide wage scale for early childhood educators and child care staff with entry level pay for RECEs of \$25 per hour**
- **Approve \$500,000 to implement a proactive Expansion Strategy to grow the non-profit and public child care sectors;**
- **Implement a workforce strategy to ensure all staff have professional pay and decent work;**
- **Ensure all funding is indexed to inflation;**
- **Commit funding and resources to support system infrastructure including data and research.**

CURRENT INVESTMENTS IN CHILD CARE

Last year in our submission to the pre-budget process, OCBC highlighted the silent crisis in child care – one of unaffordable fees, inaccessible and unavailable child care services and precarious work for early childhood educators. Ontario, like most of Canada had not squarely addressed this crisis.

With the June 2017 release of the Five-Year Action Plan to implement the Renewed Early Years and Child Care Policy Framework (2017), the Honourable Indira Naidoo-Harris, then Minister Responsible for Early Years and Child Care and the Status of Women, changed the conversation. Building on the Premier's earlier commitment to expand child care by 100,000 spaces within five years, this policy framework outlines the key issues and commits to “. . . building a system with enough affordable child care for all families who want them.”

The Five-Year Action Plan outlines seven key areas which are interrelated:

1. Increasing access to early years and child care services and programs for Ontario's youngest children including an expansion plan for spaces serving 0 – 4 with operational and capital funding for the non-profit sector
2. Ensuring a more affordable early years and child care system for parents

3. Establishing an early years workforce strategy to address ongoing recruitment and retention challenges
4. Determining a provincial definition of “quality” in the early years which emphasizes the centrality of a well-educated and remunerated workforce
5. Developing an approach to promoting inclusion in the early years and child care settings
6. Creating an outcomes and measurement strategy
7. Increasing public awareness of the challenges and possibilities for Ontario’s early years and child care system

Currently work is underway to address the access, affordability and workforce issues. Key activities include:

- The 47 municipalities and district service managers that oversee child care programs and services have submitted their plans for expansion and begun to implement the 24,000 spaces and \$200 million announced in the 2017 provincial budget.
- Options for making child care services more affordable are being developed by Dr. Gordon Cleveland, University of Toronto economist, who is expected to report by February 2018.
- Work on a workforce strategy is in process. The Technical Advisory Group to the Ministry of Education, composed of sector representatives including but not limited those from post-secondary institutions; early years and child care organizations representing child and family centres, child care centres, home child care, special needs; professional organizations; other related government ministries and others, is providing input to this process. With assistance from an external consultant, a workforce strategy is also expected by early 2018.

THE ECONOMIC RATIONALE

There is long-standing evidence for funding a child care system because of its benefits to child development and wellbeing, poverty reduction, work-family balance, social solidarity and gender equality.¹ These important reasons have been joined by a strong economic rationale for investing in a universal child care system.

Funding child care makes economic sense. Child care is a key part of Ontario’s social infrastructure, supporting the parent workforce. Studies show that child care creates ripple effects in local economies. Research in Manitoba found that every \$1 of child care funding generated \$1.58 worth of local economic activity.² Meanwhile research on Quebec’s affordable child care program by economist Pierre Fortin concluded that the Quebec program contributes more in increased government revenues

¹ For a full sense of the benefits of child care from multiple perspectives, see Ontario Coalition for Better Child Care (2015). *Child care matters to everyone: A snapshot of child care in Ontario*. Available online at: www.childcareontario.org

² Prentice, S. (2008). Rural childcare in Manitoba: New economic evidence. Available online at: www.childcarecanada.org

generated by tax revenues from mothers' increased participation in the labour force) than the program costs, providing an estimated annual net gain of over \$200 million to the provincial government.³

A recent study from the International Monetary Fund *Women are key for future growth: evidence from Canada* notes that Canada's shrinking labour force creates pressure to speed up labour productivity growth and—citing Canada's substantial gender employment gap—it identifies women as key to this challenge. This IMF study determined that increasing women's employment would have a significant impact on labour productivity but highlights data suggesting that high child care fees outside Quebec act as a disincentive for women to work.

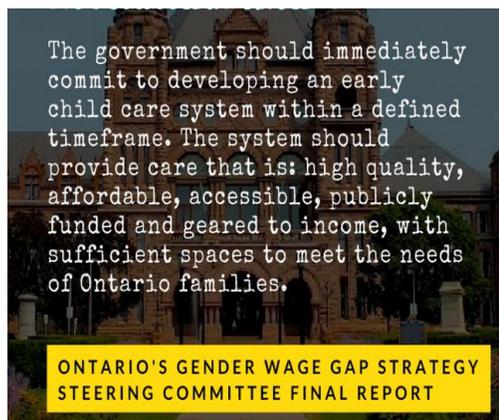
The IMF researchers calculate that if just “the current gap of 7 percentage points between male and female labor force participation with high educational attainment⁴ were eliminated, the level of real GDP could be about 4 percent higher today” (IMF: p. 31). The IMF researchers confirm what numerous studies have shown: child care services play a critical role in enabling the full potential of the female labour force to be tapped.

CLOSING THE GENDER WAGE GAP

In 2016 Ontario's Gender Wage Gap Strategy Steering Committee also highlighted the centrality of child care in closing the gender wage gap both from the perspective of mothers and the early childhood workforce.

In their consultation summary, the Committee noted: “Child care was the number one issue everywhere. Clear statements were made about the need for a public system of early childhood education and care that is universal, high quality and comprehensive. Participants called for public funding and support that provides for both adequate wages and affordable fees.”

In its final report, the Committee made child care its first and second recommendations for action, calling on the government to immediately build a system that is “high quality, affordable, accessible, publicly funded and geared to income, with sufficient spaces to meet the needs of Ontario families.”



³ Fortin, P., Godbout, L. & St-Cerny, S. (2012). Impact of Québec's universal low-fee childcare program on female labour force participation, domestic income, and government budgets. University of Sherbrooke. Available online at: www.childcarecanada.org

⁴ Petersson, B., Mariscal, R., Ishi, K. (2017). Women Are Key for Future Growth: Evidence from Canada. IMF Working Paper WP/17/166. The researchers use women with “high educational attainment” because their calculations show that employment of this group has a bigger impact on productivity. The researchers do not suggest that affordable child care should be restricted to this group and nor does the OCBC.

TRANSFORMATION FROM A MARKET APPROACH TO A PLANNED SYSTEM OF CHILD CARE REQUIRES ACTION ON AFFORDABILITY, WAGES AND EXPANSION

There is optimism among parents, early childhood educators, academics, researchers, employers and other advocates that Ontario's direction toward universally accessible child care and development of strategies to address affordability and a workforce strategy will begin to establish the system of high quality early childhood education and child care services that the OCBCC and others have been calling for since 1981. At the same time, child care supporters know that transformation will require action on all three key pillars of a sustainable system of high quality child care services: affordable fees for parents made possible by substantial operational funding for programs; decent work with professional pay and recognition for early childhood educators; and expansion limited to the non-profit and public sectors that provide efficient and accountable services.

The three pillars are inter-dependent; thus, action in one area requires coordinated action in the others. Currently, parent fees are the overwhelmingly largest source of revenue for non-profit child care programs. At the same time, the largest expenditure item in a child care budget is wages and benefits for staff; these comprise at least 80-85% of the cost of operating high-quality child care.

Thus, in order for child care programs to provide decent work with professional pay (wages and benefits) that is commensurate with the training, experience and responsibility of early childhood educators and child care staff, two things need to happen: public expenditures need to increase significantly to provide operational funding to programs and the proportion of parent fees or contributions must be reduced to much lower rates that families can afford. At the same time, the supply of non-profit, affordable child care needs to expand to meet the increased demand.

An effective way to implement a province-wide wage scale while keeping fees affordable is to fund the operational cost of programs directly based on a transparent set of guidelines for expenditures of wages and benefits, food, program equipment and supplies, rent, administration etc. This would bring a consistent approach to funding and the opportunity to establish a consistent approach to fees. At the same time, a sliding fee scale would be established to determine the amount of financial contribution that parents pay. This operational funding would be predictable and consistent while parent fees would also be predictable, consistent and more affordable.

In Québec, Manitoba and PEI, the provinces provide operational funding to child care programs and set the parental fees. One important result is that fees are more consistent across the province and are considerably lower. We suggest that Ontario could adopt its own approach to operational funding and a sliding fee scale which would facilitate the ability to implement a province-wide wage scale for early childhood educators and child care staff.

AFFORDABILITY

Ontario continues to have the highest child care fees in the country, with long waiting lists for fee subsidies in many communities. This is a serious pocket book issue for parents and requires urgent attention in this budget.

A recent report on child care fees across Canada found that eight of the ten most expensive cities for child care are all here in Ontario: Toronto, Mississauga, Brampton, Vaughan, Markham, London, Ottawa, Kitchener. Compare the \$1,009 per month Ottawa parents pay for a preschool space with the median parent fee of \$183 per month just across the river in Gatineau, Quebec.⁵ Further, research into affordability issues in Toronto by University of Toronto economists found that child care fees are considered “unaffordable or completely unaffordable for 75% of Toronto families” (Cleveland, 2016)⁶.

It is noteworthy that the affordability crisis affects families in rural areas more than may have been expected. The median monthly parent fees in rural Ontario are similar to median parent fees in adjacent cities. For example, the median parent fee for pre-school child care in central rural Ontario is \$911 while the median parent fee in Kitchener is \$975. Parents in rural areas who commute long distances may also face additional fees for extended hours of child care.

There is strong evidence to suggest that Ontario’s fee subsidy system is not the best way to address affordability. It’s not only a broken mechanism, but an archaic approach dating back to the era of the Canada Assistance Plan (1966 – 1996). It leaves too many families struggling to pay full fees or languishing on waiting lists.

Phase in operational funding

We recognize that the affordability study commissioned by the Ministry of Education is in process, and we support this approach. At the same time, we believe the affordability crisis demands prompt action in the upcoming budget.

One approach would be to phase in operational funding according to the age of the children in the child care program as Québec did when it introduced its system of centres des petits enfances in combination with a province-wide fee in 1997. Thus, operational funding could be introduced for all infant (0 – 18 mos.) spaces in licensed child care. The next year operational funding could be extended to all toddlers (18 – 30 mos.) and the following year for all pre-school (30 – 44 mos.) children and then older children.

⁵Macdonald, D & Friendly, M. (2017). *Time Out: Child care fees in Canada 2017*. Available online at: <https://www.policyalternatives.ca/timeout>

⁶Cleveland, G., Krashinsky, M., Colley, S. Avery-Nunez, C. (2016). Technical Report: City of Toronto Licensed Child Care Demand and Affordability Study. Available online at: <http://www1.toronto.ca/City%20of%20Toronto/Children's%20Services/Files/pdf/T/Toronto%20Demand%20&%20Affordability%20Study%20-%20technical%20report%202016.pdf>

This would continue until all spaces in existing licensed child care receive operational funding. It is essential that operational funding is made available immediately for new spaces in order to manage the growth. This phased-in process would enable child care programs and government funders to change gradually over time.

We suggest that this approach could be adapted to fit the needs of families in Ontario by beginning to provide operational funding for all existing infant and toddler spaces in child care centres in 2018-19. In 2016-17 there were 55,131 licensed centre spaces for infants and toddlers in Ontario.⁷ It is reasonable to assume an expansion of 10% or 5,000 spaces, leading to an estimated total of 60,000 spaces for the youngest in child care.

The following is a preliminary estimate of the cost of operational funding in 2018-19:

Infants: 14,000 spaces x \$1,758 (median monthly parent fee for Toronto) x 12 mos.=	\$295,344,000
Toddlers: 46,000 spaces x \$1,354 (median monthly parent fee for Toronto) x 12 mos. =	\$747,408,000
	TOTAL Estimate = \$1,042,752,000
Less \$295 million expenditure on subsidy	- 295,000,000
Less estimated parental contribution of \$112,320,000	112,320,000
	Estimated net expenditure = \$635,432,000

Approaches to a sliding fee scale

An estimate of the parental contributions of fees from a sliding scale with a maximum cap is more difficult to determine without more detailed family income data about users of child care that is not now easily accessible. It is useful to consider that the income test currently used to determine eligibility for a child care fee subsidy could be adapted to administer a sliding fee scale. While there are a range of views about how to determine affordability, several jurisdictions use a percentage of income as the gauge. In Sweden, parents pay 3 percent of income for the first child to a maximum fee and a lower percentage for the second and third child. Scotland recently considered a recommendation that no family should spend more than 10% of net household income while recognizing that low income families may need significantly lower or possibly no fees. Similarly, the US Department of Health and Human Services considers 10% of a family's income spent on childcare to be what is affordable.⁸

Here is one general approach derived from the direct practice of child care for consideration:

- Adapt Ontario's income tax system using net income (line 236 of income tax return)
- Assess fees once per year
- Adopt the same assessed fee regardless of the number of children in the family in child care

⁷Early Years and Child Care Annual Report 2017. Ministry of Education. Available at: www.ontario.ca/edu.

⁸Flanagan, K. & Beach, J. Manitoba Early Learning and Child Care Commission Final Report. (2016).

https://www.gov.mb.ca/fs/childcare/childcare_news/pubs/final_report.pdf (2013).

- Families with incomes of less than \$40,000 make no fee contribution; families with income greater than \$40,000 pay no more than 10% of their income to a maximum of 90% of the cost of child care.

Existing expenditures on child care fee subsidies need to be factored into the cost. In 2016, total allocations for fee subsidies were estimated to be \$739.2 million; this is an approximation; due to the introduction of 'flexible reporting' for the service system managers⁹. Unfortunately, there is very limited and disparate data on the age of children receiving subsidy. While it is not within the scope of this submission to determine the level of parental fee contribution that would be made in a proposed sliding scale of fees, it is reasonable to assume that existing expenditures on fee subsidies would be considered in the category of fee contributions made on behalf of parents.

To continue the preliminary estimate of the cost of operational funding, it seems reasonable to include \$295 million (40% of \$739 million, the 2016 allocations for fee subsidies) as part of the 'fee contribution.

The following is a very simple estimate of additional parental contributions:

2015 Ontario Population figures and Median after-tax total incomes for families with children (0 – 17 years) provides some context¹⁰:

- Couple families with children = \$93,330
- Lone parent families with children = \$42,180
- 861,380 children under 6
- 643,660 families with children under six

Within the users of the 60,000 infant and toddler spaces, it is reasonable to estimate that a high proportion may be lone parents and families with incomes under \$40,000 which, in our view, would not make a parental contribution. Assuming that 60% of parents will make a parental fee contribution which may average, for this exercise, \$12 per day.

This would generate the following contribution:

36,000 spaces x 12 x 260 days = \$112,320,000 as the estimated parental contribution in 2018-19.

⁹Friendly, M., Larsen, E., Jones, M., Grady, B., and Forer, B. (2015). Early childhood education and care in Canada 2014. Toronto: Childcare Resource and Research Unit. The child care fee subsidies figure is an approximation, as the amount of fee subsidy funding provided to each CMSM/DSSAB is not possible to determine due to the introduction of flexible reporting under the child care funding formula.

¹⁰Statistics Canada Income Statistics Division T1FamilyFiles 2015. Table 18. Reference 17061.

DECENT WORK ESSENTIAL TO SUPPORT GROWTH AND SUSTAINABILITY OF CHILD CARE

As Ontario works to meet its five-year commitment of 100,000 new child care spaces in the non-profit sector, the affordability and workforce issues must be addressed. Without well-educated, remunerated and respected educators, quality childcare programs simply cannot exist. Recent data clearly illustrate that existing childcare centres cannot recruit and retain enough qualified RECEs due to the notoriously low wages and poor working conditions RECEs experience. Currently, one-third (37%) of licensed childcare centres in Ontario are operating with exemptions to the Ontario Early Years and Child Care Act requiring a minimum number of RECEs in centres.¹¹ This situation will hinder the potential expansion that Ontario families need and expect.

With the average wage of early childhood educators at \$17 per hour across the province¹², this is simply not a professional or adequate wage reflective of the post-secondary education and job responsibilities. Sadly, of 200 third-year students in early childhood education at Ryerson in 2017-19, only two students planned to work in the childcare sector as RECEs.¹³ At the same time, the RECEs that remain in the sector are being stretched to the brink as a result of the increasing professional expectations and ongoing professional development which are laudable yet very difficult to put into practice under the current circumstances. It's no wonder that 1 in 4 RECEs in Ontario finish their 8-hour days/40-hour work weeks to head to an additional part-time job to make ends meet¹⁴.

The appropriate and necessary solution to the inter-linked problems of unaffordable child care and underpaid and undervalued early childhood educators and child care staff is for the Ontario government to provide operational funding to child care programs and set affordable fees while also establishing a wage scale for all programs across the province.

Our broad coalition supports the recommendation of the Association of Early Childhood Educators Ontario (AECEO) to institute a province-wide wage scale for early childhood educators and child care staff with a starting hourly salary of \$25 per hour for RECEs. In a recent survey of 4,000 staff in child care (most of whom were Registered Early Childhood educators) conducted by the AECEO more than half of respondents across the province supports the introduction of a wage scale that takes into consideration level of education, years of experience, job responsibility and role as an appropriate mechanism to improve wages in the child care and early years sector.¹⁵

¹¹Ministry of Education (2017). Overview of Data Regarding the Early Years and Child Care Sector and Workforce: Presentation to Workforce Technical Advisory Group. Oct. 11, 2017.

¹²Child Care Human Resources Sector Council (2013). You bet we still care! A Survey of Centre-Based Early Childhood Education and Care in Canada. Document available at: http://www.ccsccssge.ca/sites/default/files/uploads/Projects-Pubs-Docs/EN%20Pub%20Chart/YouBetSurveyReport_Final.pdf

¹³Personal communication with Dr. Brooke Richardson of Ryerson University. December 13 2017.

¹⁴Child Care Human Resources Sector Council (2013). You bet we still care! A Survey of Centre-Based Early Childhood Education and Care in Canada. Document available at: http://www.ccsccssge.ca/sites/default/files/uploads/Projects-Pubs-Docs/EN%20Pub%20Chart/YouBetSurveyReport_Final.pdf

¹⁵Association of Early Childhood Educators Ontario. (Dec. 7, 2017) Presentation to Technical Advisory Group on Ontario's Early Years and Child Care Workforce Strategy.

As a *first step* in implementing a wage scale for RECE's and child care staff, the OCBCC calls for an immediate additional expenditure of \$375 million in 2018-19. Preliminary estimates indicate that \$450 million is needed to bring the 38,480 RECE's employed in licensed child care centres¹⁶ from an average wage of \$17. Per hour to the recommended new minimum of \$25. Per hour. It is important to include the current expenditure on the Wage Enhancement Grant which is estimated at \$118 million for 2017¹⁷; this should become part of the funding of wages according to the wage scale. An additional \$43 million is estimated to align the wages of other child care staff to an appropriate wage grid. Thus, the \$450 million less \$118 million plus \$40 million equals \$375 million in new spending required to begin phasing in a province-wide wage scale.

We also look forward to a comprehensive workforce strategy that addresses other key issues including training requirements, professional development, working conditions and pensions.

We recognize that working toward the goal of transformational change in early childhood education and care will be a multi-year process. But there is much that needs to be done immediately in this budget year.

PROACTIVE EXPANSION NEEDED TO GROW THE NON-PROFIT AND PUBLIC SECTORS

OCBCC strongly supports the policy direction in The Renewed Early Years and Child Care Policy Framework 2017 which states "Our intention is that expansion will focus on the public and non-for-profit sectors. This carefully planned approach steadily increases the number of children accessing high-quality child care while delivering transformative change." It is important and noteworthy that this policy is supported by research demonstrating that high quality child care, especially services for low income communities, infants and toddlers and children with special needs, is more likely to be developed, sustained and delivered by the non-profit or public sectors.

We firmly believe that to achieve an effective transformation from the current market-based network of child care services to a more planned and publicly-managed system, a strategy for proactive expansion is necessary. As noted above, expansion must occur in conjunction with the upcoming affordability and workforce strategies that are expected in early 2018 in order to ensure that there are sufficient early childhood educators to provide the service and that fees are affordable for parents.

Transformation will also require a conceptual shift from the expectation that the development of child care services is primarily a private role with a limited facilitative role for governments to an expectation that the provincial government has a proactive role in planning, initiating, developing services in

¹⁶College of Early Childhood Educators Ontario. (2017) Survey of all members in good standing as of June 30, 2017. As presented to Workforce Technical Advisory Group-Oct. 11, 2017. Of 52,000 members, 74% or 38,480, reported licensed child care and others as their place of employment.

¹⁷Ministry of Education. (Dec. 15, 2016) 2017 Wage Enhancement/Home Child Care Enhancement Grant (HCCEG) and Update on 2017 Child Care Service Agreement Packages. This memo was used to estimate the expenditure on WEG for RECEs in licensed child care. Available online at: https://efis.fma.csc.gov.on.ca/faab/CCMemos_2017.htm.

partnership with municipalities, colleges and universities, school boards, indigenous communities, community groups etc. It is no longer sufficient to rely upon the initiative of parents, voluntary groups and entrepreneurs to initiate and develop child care services in the non-profit and public sectors.

As identified in the Province's Action Plan, limiting capital funding to the non-profit sector will clearly drive expansion in the desired direction. As well, the expectation that municipalities will develop new services in the non-profit sector and will need to outline the rationale when that is not seen to be possible is an appropriate expectation. There is encouraging anecdotal data that many municipalities including Toronto, Ottawa and Hamilton are no longer entering into purchase of service agreements with the for-profit child care operators.

At the same time, the province remains the determinant of who operates child care through its licensing power. We urge the province to develop an Expansion Strategy that appropriately builds on its authority while acting in partnership with others to achieve a transformed system of high quality child care. Important commitments identified to date include:

- **School-based child care:** continued expansion and enhanced child care in schools.
- **Community-based child care:** with municipal partners, creating new spaces in the community to provide parents with additional options to access high-quality child care.
- **Licensed home-based child care:** through base funding scheduled to begin in 2018, strengthening of and additional support to Ontario's licensed home child care sector.
- **Indigenous child care:** building on *Journey Together* commitments, increase access to culturally relevant child and family programs and licensed child care in Indigenous communities.

Other possibilities for non-profit/public expansion include:

- Re-initiate and appropriately fund lab schools at all community colleges and make provision of placements at these centres for all ECE students a condition of operating a CAATS ECE program. This initiative has direct benefits for parents, children, early childhood educators and students and can build on the solid track record of many lab schools.
- Use the municipal planning process to find new opportunities for expansion in commercial developments, including, but not limited to Section 37 of the Planning Act which may provide opportunities for Land Capture Value or the route of community benefits agreements.
- Explore possibilities for including/creating child care facilities in residential development, as other jurisdictions including the City of Vancouver have done. Develop a way of assessing need for child care in residential development, as is done schools and green space.
- Mandate public/non-profit municipal expansion planning as part of municipal service planning, recognizing that it is the province, not municipalities, that has responsibility for licensing. Provide municipalities with guidelines, tools and expertise for this.

- Build child care facilities into all new public buildings and investigate possibilities in existing public buildings as well. BC has pursued this approach.
- Fund a non-profit child care development group out of the Innovation Fund.
- Consider the practice of retaining child care facilities built with public funds as public assets rather than providing funds to non-profits as "grants" as has been the practice. This would ensure the continuity of child care centres as public assets in communities.
- Educate and mandate Ministry regional offices about taking a more proactive role in looking for, shaping planned, more publicly managed development.
- Work with CMSMs/DDSABs regarding re-development of publicly operated centres with secure funding. The OECD points out that public ownership provides an opportunity for "steering" child care development.

Limiting for-profit expansion is a key component as the Action Plan identifies

- Consider a moratorium on for-profit expansion which provides an opportunity to analyze complex issues including the acquisition of real estate by the for-profit commercial operators and ownership patterns over time.
- In the shorter term, continue the current phased approach to limiting for-profit growth. Progress from Phase 1 of limiting for-profit growth to the current proportion of provision in each CMSM/DDSAB to Phase 2 which would begin to reduce percentages of for-profit child care.
- Limit all new funding to public/non-profit services, recognizing family/community on existing for-profits.

Managing existing for-profit provision is also important to continuous provision of service

- Place public management conditions on centres such as: paying by a provincial wage scale (which is expected in the Workforce Strategy); setting maximum parent fees (expected in the Affordability Strategy); compliance with public scrutiny of financial records; provincially-set requirements on CMSMs/DDSABs about what a centre must submit to get public funding (e.g. line-by-line budget).
- Make it harder for centres to carry on as non-compliant. This could be supported by using licensing files as a tool to identify non-compliant centres. (See the Auditor General's report about oversight (2014)).
- Improve and strengthen the online licensing reports and include auspice as a relevant characteristic. Alberta and some US states provide useful models.
- Re-introduce the requirement for a centre to display a provincial poster with details about the results of latest licensing.

While some of the components of an Expansion Strategy may be implemented within existing resources, others will require additional funds. We recommend that \$500,000 be made available to support the expansion strategy in the 2018-19 budget.

BUDGET ACTION ITEMS

To begin the transformation to a high quality non-profit child care system:

- Allocate \$635.5 million as a down payment on affordability; begin operational funding of all licensed infant and toddler spaces in child care centres and establish a sliding fee scale in 2018-19
- Commit \$375 million as a first step to establishing a province-wide wage scale for early childhood educators and child care staff with entry level pay for RECEs of \$25 per hour
- Approve \$500,000 to implement a Proactive Expansion Strategy to grow the non-profit and public child care sectors;
- Implement a workforce strategy to ensure all staff have professional pay and decent work;
- Ensure all funding is indexed to inflation;
- Commit funding and resources to support system infrastructure including data and research.