

### ***Modernizing Child Care: Sharing Conversations, Strengthening Partnerships, Working together***

At the Ontario Coalition for Better Child Care our aim is to encourage the early learning and child care sector to share their experiences and suggestions for how we can improve Ontario's system of early learning and care. <sup>1</sup>

#### **Child Care Modernization – Do it Right**

The Ontario Coalition for Better Child Care (OCBCC) supports a universal, affordable, not-for-profit, high-quality early learning and child care system for Ontario's children and families.

The provincial government consultation to modernize child care takes place as early learning and child care programs are in a state of crisis. The \$242 million dollars for stabilization will not stop child care closures or deal with the systemic underfunding of child care.

To truly stabilize early learning and child care programs, and provide high quality, not-for profit child care for all children who need services, the end result of the Modernizing Child Care discussion must be significant systemic change. These changes must be accompanied by adequate funding to run education and care services for Ontario's children and families.

The OCBCC recommendations focus on our long term vision for Ontario's early learning and child care system. Many child care programs will have specific recommendations from their unique experience. The OCBCC has focused our recommendations on core principles that must be a part of a long term vision for child care. These steps must be taken now to build a foundation for future growth.

1. Base Funding: Ensuring stability and making child care affordable
  - Affordable child care
2. Staff Wages
3. Licensing
  - Accountability for public funding

---

<sup>1</sup> The Ontario Coalition for Better Child Care has produced a kit to help you submit your thoughts and recommendations to the province. You can download the kit at:

4. Role of the Province of Ontario
  - Licensing
  - Strong provincial leadership for quality standards
  - Lowering administrative costs and simplifying delivery of child care subsidies to ensure quality
  - Supporting child care programs in rural, remote and northern communities
  - Public education campaign: raising awareness about quality
5. Role of CMSM's and DSSAB's
  - Planning child care services
  - Capacity building, mentoring and coaching
6. The role of school boards
  - Working with child care programs located in schools
  - Working with child care programs located in the community

### **Base-funding: Ensuring stability and making child care affordable**

Ontario needs a new funding formula for early learning and child care that does not exclusively rely on full-fee paying parents. Instead, we need to establish a system of “base-funding”, a per-child allocation of funding. We propose moving towards the goal of parents paying 20% of the operating cost of child care with federal, provincial and CMSM / DSSAB's<sup>2</sup> paying the remaining 80%.

The introduction of base funding would contribute to:

- Stabilization of current programs as a result of predictable funding
- The reduction of child care fees, meaning fewer families would require a child care subsidy
- Fair wages for registered early childhood educators and other child care staff

Many experts have recommended that the Government of Ontario introduce “base-funding”. This is how the rest of Ontario's education system is funded. Furthermore, our neighbours in Quebec and Manitoba provide base-funding to child care programs. Ontario needs a clear, transparent funding formula that is indexed for inflation.

In the future we must expand the number of licenced child care spaces in Ontario. Ontario currently has a licensed child care space for only 20% of children – meaning 4 out of 5 children have no access to licensed child care. While more than 70% of women with young children are in the paid workforce, the government has turned a blind eye to the care most children receive.

To truly meet the needs of Ontario children and families, Ontario requires an increased investment in early learning and child care. In Ontario, the federal and provincial government spend approximately \$800 million per year on early learning and child care with CMSM/DSSAB's spending an additional \$200 million. A universal, affordable child care system for Ontario would require approximately \$ 3 billion dollars annually.

---

<sup>2</sup> There are 47 municipal or regional entities that are responsible for delivering child care services in Ontario: Consolidated Municipal Service Managers (CMSM) in southern Ontario and District Social Service Administration Boards in the Northern Ontario

This investment would mean that every child would have access to high quality early learning and care, providing substantial benefits to our economy and our future.

### *Affordable child care*

In Ontario, we currently expect parents to pay the full cost of child care. If parents can't afford child care, they can apply for a child care subsidy. However, as the cost of quality child care has surpassed the ability of the average family to pay the full operating cost, more and more families qualify for child care subsidies and waiting lists grow longer. Waiting lists for subsidy can result in vacancies in child care centres, even if there is high demand in the community. This significantly destabilizes programs and threatens program viability.

In many communities, child care fees are at a breaking point. Any attempt to modernize child care must stabilize and lower child care fees to ensure that families can afford services.

Base-funding to programs will ensure stability for program planning, service delivery and quality.

### **Staff Wages**

The newly-developed funding formula must address the need to pay staff a fair wage. Ontario has a shortage of early childhood educators – and yet 40% of trained ECEs work outside of the field. Despite their dedication, passion, and the time they have invested in their education, ECEs are underpaid. Many leave the field to pursue employment with higher pay and benefits.

Wages are one of the biggest concerns of child care operators. In a high quality child care program, wages make up roughly 80 percent of the overall budget. Also, frequent staff turnover impacts not only the stability of a program, but the quality of care as well.

Wage rates vary enormously by program and by region. In order to ensure a minimum standard of quality, the provincial government must develop a minimum salary scale for all child care staff.

### **Licensing**

All child care providers should be licensed. Every person or organization that provides child care services in a paid capacity must be licensed either as part of a licensed home child care agency or as a child care centre.

It is the province's responsibility to license, regulate and support *all* child care operators. Currently, a lack of licensed child care options has forced the majority of families into unlicensed, unregulated home child care or in to illegal child care centres.

Children in a high quality environment experience social, emotional, and cognitive benefits that last for a lifetime. We must ensure that every person paid to provide child care is licensed, regulated and supported in the difficult job of caring for our youngest children. Through licensing, be it centre-based or home care through an agency, child care operators receive professional development, training, and become part of a network of providers. This eliminates the potential of isolation, which is detrimental not only to the quality of care the children receive but the well-being of the provider.

The vast unregulated system of looking after children for money must be brought out of the shadows and made part of a child care system so that parents can be assured that their children are in a safe

and high quality environment – that there are standards and oversight, and that child care providers have qualifications and support.

### *Accountability for public funding*

Ample research over the last 10 years has shown that on-average, the quality of child care is greater in programs run by not-for-profit operators.

The province must change current legislation to ensure that all new licenses are given only to not-for-profit, municipal and Aboriginal operators.

As mentioned above, the largest cost of any child care program is staffing. Not-for-profit operators have, on average, more qualified staff, higher wages and more opportunities for professional development. To stay in business, for-profit programs must have fees competitive to other programs in the region. As a result, any profits come at the expense of staff wages and quality programming.

The modernization of Ontario's early learning and child care system will involve a public investment in our early learning and child care programs so that they can provide affordable child care for all the children and families who need care. That public investment should benefit quality services instead of going to for-profit operators who cut corners in order to make money. Put simply – funding for child care should go in to high quality programs for children, not in to the pockets of investors.

### **The Role of the Province of Ontario**

Licensing will be processed by the Ministry of Education. To apply for a new child care licence, the not-for-profit, municipal or aboriginal operator would need to seek the support of their local CMSM, which is responsible for local planning.

With the approval of the CMSM / DSSAB, an application would be submitted to the Ministry of Education for licensing. Like current practice, prospective operators would need to demonstrate that the facilities and programming meet legislative requirements for quality.

### *Strong Province-wide Leadership for Quality Standards and Assurance*

Recognizing weaknesses in the current Day Nurseries Act, CMSM's and DSSAB's across Ontario are developing their own quality assurance tools. This means that there is huge regional variation and the potential for 47 separate local quality assurance programs. In addition, CMSM's can only mandate compliance with their standards from child care centres that have child care subsidies. Therefore some child care centres in the same region are operating under two different standards – the higher CMSM / DSSAB standard or the bare minimum of the DNA.

We need to fix provincial legislation and assure high quality for all Ontario children. Child care centres, with first-hand experience of operating under the Day Nurseries Act, are the experts on legislative and regulatory changes that are needed. But to maintain quality in every part of the province, we need strong provincial standards for licensing. Strengthening provincial standards will mean CMSM's and DSSAB's can concentrate on building capacity, professional development, coaching and establishing peer review programs so that early learning and child care programs can learn best practices from each other.

### *Lowering administrative costs of child care subsidies*

Of the current 1 billion dollars spent on child care, the OCBC estimates that \$100 million dollars is currently spent on the administration of fee subsidies for parents. Approximately half of the parents with children in child care are eligible for a child care subsidy. To verify eligibility, most parents must attend an in-person meeting to review their documentation. The costs of assessing eligibility is approximately 10% of the entire public expenditure for child care.

We recommend a simple, centralized provincial subsidy application derived from available tax returns as the sole mechanism for determining eligibility for subsidy.

In addition, the provincial office processing subsidy applications should maintain a centralized waiting list for child care spaces in each of the 47 CMSM and DSSAB regions across Ontario. At the moment, in many areas parents have to get on countless wait-lists and operators are all responsible for administering their own lists.

In addition to reducing cost, centralizing the administration of child care subsidy will ensure that eligibility criteria remain consistent across the province. This is particularly relevant given the recent stories of PHD students denied subsidy as they were not deemed to be full-time students and were 'workforce ready'. When outlining eligibility criteria, the province must also update the criteria to remove discriminatory policies such as those that make part-time students and workers ineligible for subsidy. As an income tested benefit, such policies are unfair and unnecessary.

These adjustments would not only make the subsidy delivery system more equitable, they will dramatically reduce administration costs. As demonstrated in Manitoba, maintaining a system of child care subsidies can co-exist with a model of base funding of child care programs. We propose that CMSM's and DSSAB's maintain their current funding in order to provide training, professional development, and building capacity of the child care centres in their communities.

#### *Supporting child care programs in rural, remote and northern communities, francophone and Aboriginal communities*

The new funding formula must be designed with mechanisms in place to address the unique needs and ensure the viability of child care programs in rural, remote and northern communities, as well as francophone communities. Working with Aboriginal leaders and the Federal government, a new funding mechanism must provide for universal, affordable child care on reserves as well as specific programs for urban Aboriginal populations.

In northern and rural communities, past provincial programs have assisted with transportation of parents and children to and from local child care centres. In the absence of those types of programs today, the Ministry of Education must look at current resources, like school buses or other transportation options to allow parents to take their children to child care centres when transportation is a barrier.

#### *Public Education Campaign*

Many parents are desperate for child care. But we ask parents to make informed choices without providing them with adequate information. Parents need to understand the benefits of licensed child care, the elements of a quality program and curriculum, and the roles of various levels of government, including the Ministry of Education and CMSM / DSSAB. It is the job of the Ministry of Education to ensure that parents have access to basic information on child care choices.

## **Role of CMSM / DSSAB**

*CMSM's and DSSAB's will have responsibility for planning child care services*

Service plans should be based on demographic information and include requirements for care outside of regular hours (evenings and weekends).

In order to have accountability and to be able to plan for future growth, municipal service providers need to provide clear, standardized information to stakeholders - including parents.

A transparent process of data collection is essential to assessing demand and making plans to build capacity across the province. Collecting information on wages, fees and rent will allow policy makers and parents to better understand Ontario's child care system. Facilitated by the simplification and transparency of a new funding formula, the CMSM's and DSSAB's can play a critical role in ensuring open access to information on how public money is spent. Furthermore, with demographic information, CMSM's and DSSAB's can fulfil the function of local planning with a clear picture of how well need needs of the community is being met and where expansion should take place.

Parents are often forgotten in discussions on accountability for funds spent on child care. Mechanisms should be in place so that parents can provide vital feedback on the quality of programs and the extent to which the available services meet their needs.

*Capacity-building, mentoring and coaching*

The majority of what makes a quality program is the staff interactions with children and families, the curriculum and programming, and a continual reflection on the needs of the children.

Licensing today is based on checklists, technical requirements and forms. While it is important that the administrative work of licensing is in good order and that minimum standards are met, it is essential that child care centres are supported to continually improve the services they provide. Improve their practice with capacity building, mentoring and coaching. CMSM's and DSSAB's should be mandated to develop programs to help child care centres collaborate in building stronger programs.

Strengthening provincial standards will mean CMSM's and DSSAB's can concentrate on establishing local initiatives to build capacity, provide professional development, improve quality by coaching executive directors and supervisors to be pedagogical leaders and establishing peer review programs so that early learning and child care programs can learn best practices from each other.

## **Role of School Board**

The McGuinty government has been unequivocal since 2003 of pursuing a "schools first" policy. Child care programs in schools are not new – in fact, about 50% of Ontario's licensed child care centres are located in schools. All new schools should be built with this in mind with space dedicated to child care programs.

*Working with child care programs located in schools*

Early learning and child care programs should:

- occupy their space rent-free
- have long term security of tenure
- have fair and equitable access to all the facilities in the school

- be able to access space after-hours, possibly through an alarmed door (a common safety feature at many child care centres)
- be allowed to use surplus buildings for child care programs.

Child care programs have a fundamental and positive impact to the life of a school. The Ministry of Education has a special obligation to ensure that school boards, administrators, superintendents, principals and teachers understand that early learning and child care programs are an integral and equal part of today's schools.

Many child care programs are currently treated as tenants in schools, with little say over the leasing arrangements. Many child care centres, especially those running after-school programs can't access appropriate rooms and facilities within schools.

Child care and schools are all part of the Ministry of Education, we serve the same families and we need to develop new ways for schools and child care centres to work together to provide high quality care for Ontario's children.

#### *Working with child care programs located in the community*

School boards must also establish relationships with community-based child care programs and other community services (for instance family resource programs).

While many schools will have a child care program located *in* the school, *all* schools can and should be connected to the neighbourhood child care programs as they are all serving the same families.

Child care programs will provide the first point of contact with the education system and facilitate positive relationships between families, schools, and the broader community.