



# PREPARATORY PACKAGE

## OMSSA Children's Services Summit

January 23-24, 2019 | Toronto

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## Purpose of Summit

1. To establish guiding principles and processes for mobilizing Ontario's Service System Managers with a cohesive vision and unified voice.
2. To identify key elements of a children's services framework that will inform a unified perspective to the Ministry of Education.
3. To identify key / immediate policy priorities in children's services for 2019.

## Summit Participants

To facilitate a focused and strategic discussion, OMSSA has limited attendance to two representatives per Service Manager area. Members were asked to designate the appropriate representatives, which in most cases will be the most senior children's services and human services leads from each organization.

Summit participants largely include senior directors and senior managers of children's and early years services, as well as human and social services leads, with 85 representatives from 46 CMSMs and DSSABs across Ontario.

## Logistics

**Summit Dates:** Wednesday, January 23 to Thursday, January 24

**Summit Location:** **Doubletree by Hilton**  
108 Chestnut Street  
Toronto, Ontario  
M5G 1R3

**Room:** Mandarin Ballroom, L2 (Lower Level)

**Start / End Times:** **Day 1 (January 23)**  
Breakfast / Sign-In: 8:00  
Summit: 9:00 to 4:30

**Day 2 (January 24)**  
Breakfast: 8:00  
Summit: 8:30 to 4:00

## Key Themes for Discussion

The two-day Summit will be structured around four major themes or issue areas: **Quality**, **Affordability**, **Access** and **Choice**. Each of these areas will be discussed in small groups on Day 1, with follow-up discussions on Day 2 to identify clear positions, messaging and recommendations to “clear a path” to desired change in each area.

Day 1 will also include a discussion on **Administration and Reporting**, in order to identify more specific, tangible changes or solutions that OMSSA may recommend to the Province, in alignment with their objective of “reducing red tape.”

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## Background Materials

### 1: OMSSA Policy Brief, Child Care and Early Years Services in Ontario

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*OMSSA developed and published this policy brief in August 2018 in consultation with members, outlining the role and value of service system managers in child care, as well as key priorities for Service Managers in this area.*

*While some priorities may have shifted or evolved given recent policy and political developments, the brief provides a foundation for defining the Service Manager value proposition in children's services, the case for investment, and shared policy priorities.*

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# Child Care and Early Years Services in Ontario



In Ontario, **Service System Managers** play a central role in the **planning, funding, administration and operation** of early years and licensed child care services

## Across Ontario, Service System Managers are responsible for:

- **Planning, administering and operating licensed child care and early years programs**, through direct service provision and/or third-party service agreements
- Coordinating and administering the **delivery of Ontario's Child Care Fee Subsidy program** to Ontario families
- Administering **Special Needs Resourcing (SNR)** in their communities to allow children with special needs to participate in early years and child care programs at no additional costs to parents
- **Co-funding the delivery** of local early years and child care programs
- Planning, managing and funding **Ontario's Child and Family Centres**
- **Developing local early years and child care service plans** to meet their communities' long-term needs, in coordination with school boards and local service providers
- Planning, negotiating and maintaining **service contracts with local child care service providers**
- Providing **capacity-building support to local early years and child care service providers** in areas such as governance, finance, operations and service planning
- Playing a key role in oversight, by ensuring that local early years and child care services and service providers meet **a high standard of quality and safety**

Ontario's 47 Service System Managers are **Consolidated Municipal Service Managers (CMSMs)**, or upper-tier (regional) and single-tier municipalities across Ontario, and **District Social Services Administration Boards (DSSABs)** in areas where there are no regional municipalities in Ontario's north

# The **Value** of Service System Management in Early Years and Child Care

## Ontario is unique within Canada

in that municipalities (Service System Managers) play a central role in the planning, funding and administration of early years and licensed child care services.

For Ontario to achieve the vision of a **high-quality, accessible, affordable and inclusive** early years and child care system that is **flexible** and able to meet the unique local needs of each community, Service System Managers must continue to play a **central role**:

### LOCAL EXPERTISE

Service System Managers bring a deep level of local expertise, experience and knowledge to the table. As local governments and service leaders, they are tapped into the broader community planning process, bringing a **long-term vision** and a **sophisticated level of local data, research and local economic analysis** to guide their work.

They understand the **unique social, economic, regional and demographic forces** that shape their communities, and their strong relationships with local service providers help them deliver the **right mix of services** – with the right community partners – to address specific local needs.

### COORDINATION

Service System Managers' deep local knowledge and well-established community relationships enable them to play an important coordinating role – leveraging local connections to **align service delivery, minimize duplication, and maximize available resources** to meet local needs in efficient and effective ways.

They can also leverage other municipal services and expertise, in areas like **public health, libraries, recreation, economic development, transportation, poverty reduction, newcomer settlement** and others, to strengthen and support their work. Their work is furthered by the strong relationships they have built with **school boards, child welfare agencies and service providers** in their communities.

These connections – along with their ongoing work to integrate and streamline the delivery of all human services at the local level – help to **reduce duplication, ensure quality, and respect Ontario's taxpayers.**

# The **Value** of Service System Management in Early Years and Child Care



## ACCOUNTABILITY

Municipal Service System Managers are **accountable to their communities**, subject to oversight of locally elected officials, and local taxpayers and residents.

They are the level of government that is **closest to the communities they serve**, and they play a key role in ensuring that the local delivery of early years and child care services is efficient, effective, safe and accountable.

## ACCESS

**Almost half (44%) of non-school-aged children in Canada are living in 'child care deserts'** – areas where at least three children are in potential competition for each licensed child care space.<sup>1</sup>

Service System Managers play a central role in **planning and developing additional capacity, enhancing affordability** and **ensuring quality** within Ontario's early years and child care system.

For parents, Service System Managers can also be an essential support to accessing and navigating local early years and child care services.

## QUICK FACTS: CHILD CARE IN ONTARIO

In 2017, there were **5,351** licensed child care centres, **124** licensed home child care agencies, and **7,579** approved homes offering licensed home child care.

This amounted to **406,395** available licensed child care spaces for Ontario families, which is enough to accommodate **only 1 in 4 of children age 0-4** in Ontario.

If spaces were available and affordable, it's estimated that **almost half** of children in this age group would be using licensed child care.

Ontario families are paying from **\$750 to \$1,700 per month** for child care. Of the Canadian cities with the highest child care costs, **8 of the top 10 are in Ontario**.

As the province with the highest child care costs, **Ontario also has the lowest rate of women's workforce participation at 80.6%**.

<sup>1</sup> David MacDonald, *Child Care Deserts in Canada*, Canadian Centre for Policy Alternatives, 2018.



# Why Invest in Early Years and Child Care?



## High costs are holding Ontario's families back

Ontario has among the highest average child care fees of any Canadian province. While costs vary regionally, **Ontario families are paying from \$750 to \$1,700 per month** for licensed child care, totaling between \$9,000 to \$20,000+ per year for each child – and these **costs are rising steadily at about twice the rate of inflation.**<sup>2</sup>

The child care system is primarily funded through parent fees, and supported by the **Ontario Child Care Subsidy program**. In 2017, approximately **30 percent** of children in licensed care (123,497) in Ontario received a full or partial subsidy for child care fees.<sup>3</sup>

The subsidy supports and enables more parents to re-enter the workforce and makes services more affordable for those in need. Unfortunately, if annual funding has been exhausted, **not all those who qualify will receive a subsidy** and local wait lists will grow.

## It's sorely needed in Ontario

The current number of licensed child care spaces across the province **can accommodate less than 1 in 4 (23%) of children in Ontario from age 0-4**. If spaces were available and affordable, it's estimated that **45-50%** of children in this age group would be using licensed child care.<sup>4</sup>

Demand for child care spaces will continue to rise, with the **number of children under 4 in Ontario projected to increase by 23%** over the next two-and-a-half decades.<sup>5</sup>

<sup>2</sup> Dr. Gordon Cleveland, *Affordable for All: Making Licensed Child Care Affordable in Ontario*, 2018.

<sup>3</sup> *Early Years and Child Care Annual Report 2017*, Ontario Ministry of Education, 2017.

<sup>4</sup> *Renewing and Expanding Ontario's Early Years and Child Care System*, Ontario Ministry of Education, 2017.

<sup>5</sup> *Ontario Population Projections Update: 2017–2041*, Ontario Ministry of Finance, 2018.

# Why Invest in Early Years and Child Care?

## It's integral to Ontario's prosperity

Access to early years services and licensed, quality child care services:

- **encourages labour force participation**, giving more people the opportunity to return to work earlier if they chose to do so
- **reduces poverty** for low-income families
- leads to **better educational, employment and earnings outcomes** as these children become adults, meaning a **strong labour force and economy**

## It's a smart investment

Public investment in early years and child care has a multiplying or **"ripple" effect in positive economic benefits**. In Ontario, the multiplying effect of investing in child care is approximately 2.27, meaning that **every dollar invested in child care results in an economic output of \$2.27**.<sup>6</sup>

Affordable child care can help boost women's workforce participation, with significant economic benefits. Mothers with young children are currently **contributing an estimated \$53 billion per year to the Canadian economy**.

Conversely, if all mothers with young children stayed at home, the Canadian economy would face losing **\$83 billion per year – or almost 8% of GDP**.<sup>7</sup>

Raising Ontario's rate of women's labour force participation to that of Quebec's – where the \$7-a-day child care program has made affordable child care universally available – would **add an additional \$13 billion to Canada's GDP**.<sup>8</sup>



<sup>6</sup> Fairholm, R., *Economic Impacts of Early Learning and Care*, Early Education Economic Forum, University of Toronto, 2011.

<sup>7</sup> Cleveland, Krashinsky, *Fact and Fantasy: Eight Myths About Early Childhood Education and Care*, University of Toronto, 2003.

<sup>8</sup> Advisory Council on Economic Growth, *Tapping Economic Potential Through Broader Labour Force Participation*, Government of Canada, 2017.

# Service System Manager Priorities in Early Years and Child Care

## Increasing Capacity

Offering expanded tax rebates will help to improve affordability for some families across Ontario, but **tax rebates alone will not address the pressing need to increase capacity** in Ontario's child care system and **will leave parents without adequate options.**

To address growing demand, **many new licensed subsidized child care spaces are needed across Ontario**, along with expanded measures to increase affordability. To achieve these goals, the Province should consider:

- ▶ **Predictable and indexed, multi-year operational funding** to expand system capacity to meet local needs. Funding should be based on a consistent and equitable formula that reflects the **true costs of local services.**
- ▶ **Additional capital funding** to increase capacity and address the growing demand for licensed child care in communities across Ontario.
- ▶ Funding allocations should be grounded in an understanding of regional and local needs. Where the need is greatest, **special attention should be paid to sustainable child care programs in smaller and rural communities**, as well as infant care.

## Improving Access

The regulatory framework guiding child care fee subsidies under Ontario's Child Care Funding Formula should be examined and updated.

Currently, a family's income must be **under \$20,000** in order to qualify to receive the full subsidy. This threshold has not been updated since 2005.

- ▶ **This threshold should be increased** to match the Low Income Measure After-Tax (LIM-AT) thresholds, adjusted for family size and indexed to inflation. This would help additional families experiencing the greatest need to access quality, safe and affordable child care.

## Protecting Safety and Quality

*Licensed child care is essential to ensuring quality and protecting children's safety. The Province should maintain its commitment to this important system and work to expand access to licensed child care services in communities across Ontario.*

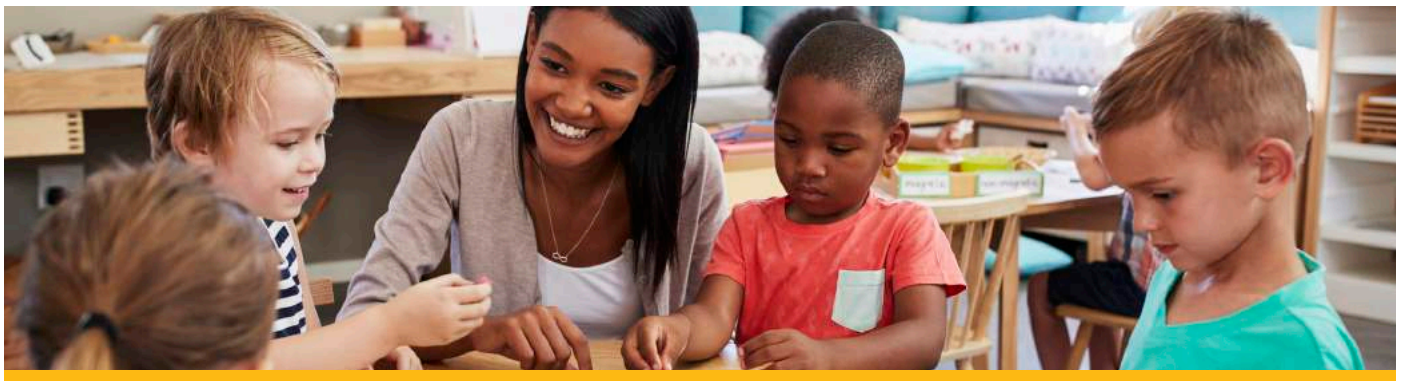


# Service System Manager Priorities in Early Years and Child Care

## Leveraging Public Assets

Leverage **untapped potential** in existing public assets in Ontario.

- ▶ OMSSA and its members encourage the Province to work to improve collaboration with school boards to **leverage surplus buildings and land** for the expansion of early years and child care services across Ontario, as well as community hubs and before and after school programs.
- ▶ **Rental and cost recovery fees** for the use of these assets for child care services should be eliminated. These assets are already funded by public dollars, and requiring municipalities to pay these fees amounts to a **double bill for taxpayers**.



## Supporting Early Childhood Educator (ECE) Recruitment and Retention

Recruiting and retaining Early Childhood Educators (ECEs) presents a **major challenge to the viability of Ontario's Child and Family Centres**. Unlike in other Provinces, Early Childhood Education is a regulated profession in Ontario. **ECEs are essential to ensuring a high-quality early years and child care system**, and are not compensated fairly or competitively for the important work they do.

- ▶ The Province should provide consistent, indexed funding to **support competitive and appropriate wages** to enable ECE recruitment and retention across the entire early years and child care system in Ontario.

# Service System Manager Priorities in Early Years and Child Care



## Ensuring Local Flexibility

- ▶ Service System Managers must be able to operate in a **flexible framework**, that allows them to use the right mix of approaches to address unique local needs and circumstances. This is **especially true in rural and northern communities**, where geographic spread and distance presents particular challenges.

## Streamlining Administration

- ▶ The Province should work with Service System Managers to **remove unnecessary administrative and reporting burdens**, and to **support investments in technology** to improve and streamline these processes, freeing up needed resources to better serve children and families.

## Partnering in Policy Design

- ▶ As key partners in administration, funding and delivery, **Service System Managers must be engaged and leveraged at all stages of policy design** and development as the Province works towards modernizing and improving child care and early years services in Ontario.

**OMSSA and Ontario's Service System Managers are ready and able to work in partnership** with the Province to lend our expertise and experience on implementing provincial policy at the local level.

## Working Together

OMSSA and its members look forward to working together with the provincial and federal governments to improve efficiency, access, quality and affordability in child care and early years services in communities across Ontario.

**The Ontario Municipal Social Services Association (OMSSA)** is a non-profit, non-partisan organization whose members are Ontario's Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs). By supporting, connecting and advocating for our members across Ontario, we help them to achieve their collective mission of delivering the best human services outcomes for Ontario's communities | [www.omssa.com](http://www.omssa.com)

## 2: Ontario PC Party Platform Highlights re: Child Care

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*The following excerpt from an Ontario PC Party news release and backgrounder (published in April 2018) is provided as background on the Party's stated proposal to introduce a child care tax rebate.*

*At the Summit, attendees will receive an additional briefing on the impacts and implications of the proposed tax credit.*

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### NEWS RELEASE – April 28, 2018

**Doug Ford's Plan for the People Will Put More Money in the Pockets of Ontario Parents**  
*Ontario PC plan will allow families to make childcare decisions that work best for them*

**Pickering** — Laurie Scott, MPP and Ontario PC Candidate for Haliburton - Kawartha Lakes - Brock, today announced that a Doug Ford Ontario PC Government will introduce a new childcare tax rebate for parents of children under 15 years of age.

"Few decisions are as personal, or important, to parents as the care of a child," said Scott. "Kathleen Wynne and the Liberals believe in 'one-size-fits all' government childcare. They believe that the government — and not parents — should decide what's best for their children. Our plan will put more money in parents' pockets and respect the choices of moms and dads in deciding what's best for their kids."

Under the PC Plan, parents will receive an Ontario Childcare Rebate that will pay up to 75% of a family's childcare expenses, with lower income families receiving the most support. Unlike the Liberal Plan, which only covers children between ages 2-4, and restricts childcare options to government-licensed providers, the Ontario PC Plan will cover childcare costs for children up to 15 years of age and cover multiple forms of care.

"Our plan will cover any form of childcare that works for individual families and their unique situations," said Scott. "Licensed care, independent care, babysitters, nannies and after-school programs will all be covered. Our plan is modest, responsible and affordable. It covers more kids, and more families. And, most importantly, it respects parents and provides them with the ability to choose the kind of child care that works best for them."

Scott's announcement is the latest in a series of PC commitments that will put more money in the pockets of Ontario families. To date, these commitments include a minimum wage tax credit, scrapping the carbon tax and cap and trade slush fund and introducing a series of reforms that will reduce Ontario residential hydro bills by 12%.

“Our plan will put more money in your pockets. Not the government’s pockets and not the insiders’ pockets,” said Scott. “It is a plan for the people, rather than for the government.”

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## **BACKGROUND: April 28, 2018**

### **More money in your pocket / childcare**

#### **Proposed Liberal Scheme Ignores Many Ontario Families**

- Ontario families are working harder than ever to build a better future for their children, yet they don’t feel like they’re getting ahead.
- The cost of childcare in Ontario can be completely unaffordable, reaching over \$20,000 a year per space in Toronto, and incredibly high in other cities as well. [1]
- Not only are incomes stagnating, hydro bills are increasing annually, with hydro rates tripling since the Liberals took power in 2003 – costing the average family more than \$1,000 extra a year.[2]
- Kathleen Wynne and the Liberals proposed childcare scheme requires parents to use licensed daycare operators in order to receive help from the government. Parents who, by choice or by circumstance, use alternative child care arrangements receive no support at all.
- Kathleen Wynne and the Liberals proposed childcare scheme only provides supports for children between the ages of 2-4. Parents of older children receive no support at all.

#### **A childcare plan that respects parents**

- In recognition of the high cost of childcare in Ontario, Doug Ford will introduce a new Ontario Childcare Rebate to pay up to 75% of a family’s childcare expenses, or up to \$6,750 per child. This plan will cost the Government \$389 million annually.
- This fully refundable rebate will work on a sliding scale, covering 75% of childcare costs for low-income families, and gradually decline to 26% for families with an income of \$150,000 or higher.
- In contrast to the Liberals, this policy saves families more money over the lifetime of the plan, and provides greater flexibility for families to choose the childcare option that best meets their needs.

- The Liberal plan offers free childcare for children aged two and a half to kindergarten and may only save a family roughly \$34,000 over the lifetime of coverage.
- By contrast, the Ontario PC plan covers children aged 0-15 and could save families up to \$74,250 over the lifetime of the policy.
- Further, the Liberal plan dictates your child care option, as parents can only select from licensed child care spaces in order to be eligible.
- The Ontario PC plan offers greater flexibility to parents: families can select from a variety of eligible childcare options, including licensed and independent childcare spaces, babysitters, nannies, after school recreational programs, and a range of other options, as long as it enables the parent to go back to work.
- The Ontario PC childcare plan begins on January 1, 2019, in contrast to the Liberal plan which starts in 2020.
- This is the latest in a series of commitments from Doug Ford that will put more money in the pockets of the people, including:
  - Implementing a minimum wage tax credit by January 1, 2019 so that those on minimum wage pay no income tax. This saves minimum wage earners, on average, over \$800 per year.
  - Scrapping Kathleen Wynne's cap-and-trade scheme, which will save the average Ontario family another \$285 a year according to the Auditor General of Ontario.[3]
  - Reducing your hydro bills by an additional 12%. This saves families an average of \$173 on their hydro bill, and puts money back in your pocket.

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[1] <http://www.cbc.ca/news/business/child-care-costs-1.4443290>

[2] <http://business.financialpost.com/opinion/ontarios-power-trip-irrational-energy-planning-tripling-power-rates-under-the-liberals-direction>

[3] [http://www.auditor.on.ca/en/content/annualreports/arreports/en16/v1\\_302en16.pdf](http://www.auditor.on.ca/en/content/annualreports/arreports/en16/v1_302en16.pdf)



### 3: Ministry of Education, Early Years & Child Care 2018 Annual Report

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*The Ministry of Education's 2018 Early Years and Child Care Annual Report provides a broad overview of the state and scope of Ontario's Early Years and Child Care program in 2018.*

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# Early Years and Child Care Annual Report 2018



The Ministry of Education acknowledges the Government of Canada's support in connection with the **Multilateral Early Learning and Child Care Framework** and the **Canada-Ontario Early Learning and Child Care Agreement**. Part 3 of this document outlines Ontario's progress towards meeting early learning and child care goals under the agreement.



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Une publication équivalente est disponible en français sous le titre suivant : *Rapport annuel de 2018 sur le système de la petite enfance et des services de garde d'enfants.*

This publication is available on the Ministry of Education's website, at [www.ontario.ca/edu](http://www.ontario.ca/edu).



## PART 1: Overview of the Early Years and Child Care System

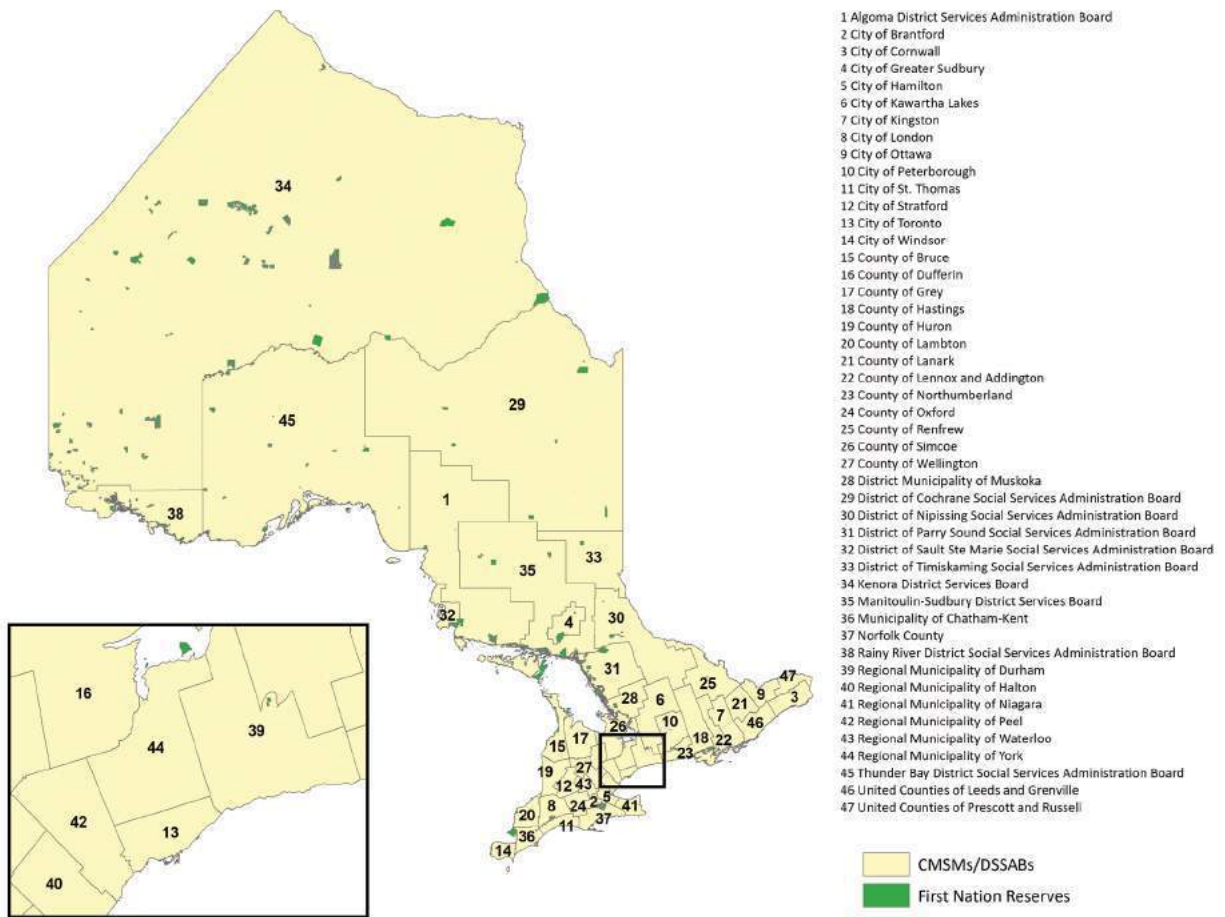
In Ontario, the Ministry of Education is responsible for child care and early years programs. The ministry sets overall policy, legislation, and regulations for the child care and early years sector, under the authority of the *Child Care and Early Years Act, 2014*, and licenses child care providers across the province. The ministry also conducts inspections and investigates complaints about licensed and unlicensed child care.

The ministry oversees and licenses two types of child care:

- licensed child care centres, and
- home child care agencies, which contract with home child care providers.

The provincial government provides funding to 47 local service system managers, known as Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs), to support licensed child care and child and family programs in the province (see Figure 1). These service system managers have the authority to determine funding priorities within their local systems, provided they comply with provincial legislation, policies, and guidelines.

**Figure 1: Consolidated Municipal Service Managers and District Social Services Administration Boards in Ontario**

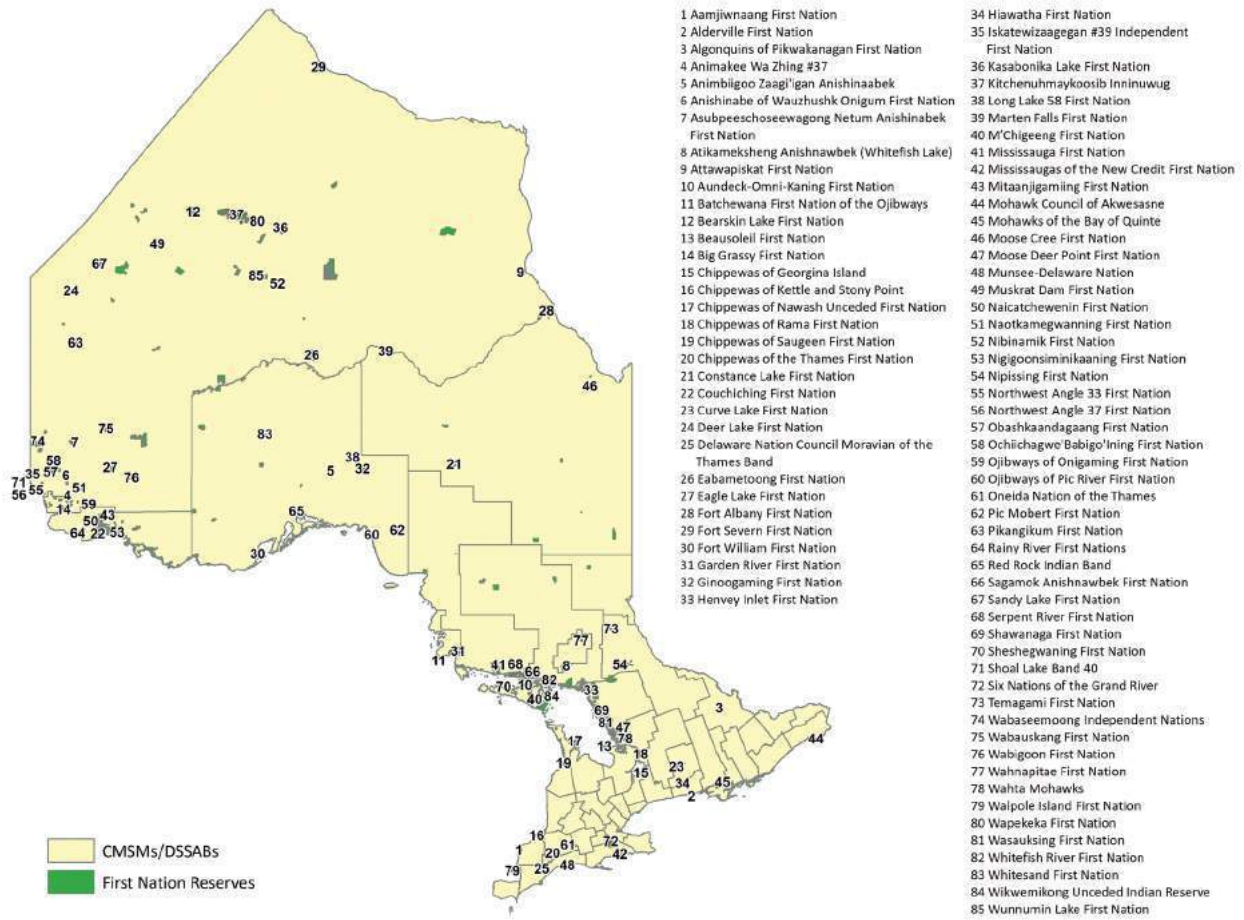


Data sources: Ontario Ministry of Education; Statistics Canada

As of March 31, 2018, the province was funding 85 First Nations to support child care and/or child and family programs on reserve (see Figure 2), of which:

- 44 received funding for child care **only**
- 11 received funding for child and family programs **only**
- 30 received funding for a combination of child care **and** child and family programs.

Figure 2: Ontario First Nations Receiving Provincial Funding for Child Care and/or Child and Family Programs



Data sources: Ontario Ministry of Education; Statistics Canada





## PART 2: Early Years and Child Care Key Data and Measures

### Licensed Child Care

In Ontario, licensed child care is provided in centres and homes, and is delivered by a mix of not-for-profit and for-profit organizations as well as municipalities, school boards, and First Nations. As of March 31, 2018, there were 5,437 licensed child care centres in Ontario. The total number of spaces in licensed centres was 427,032, which included:

- 31,251 spaces in centres that provide services in French
- 5,827 spaces in centres that provide bilingual services
- 3,215 spaces in centres in First Nations communities (on reserve).

As of March 31, 2018, a total of 122 licensed home child care agencies were in operation in the province. These agencies were permitted to contract with a maximum of 7,783 approved homes.<sup>1</sup> Two home child care agencies were operated by First Nations, with a maximum of 31 approved homes. A total of 3,715<sup>2</sup> homes were deemed to be “active homes”.<sup>3</sup>

1. “Approved homes” refers to the maximum number of homes with which an agency is permitted to enter into a contract.

2. Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education. All licensed child care centres and home child care agencies that were operating as of March 31, 2018, were asked to complete the 2018 survey. Close to all licensed child care centres (99.6%) and home child care agencies (99.2%) responded to the survey.

3. “Active homes” refers to the number of home child care providers that have a contract/agreement with an agency.

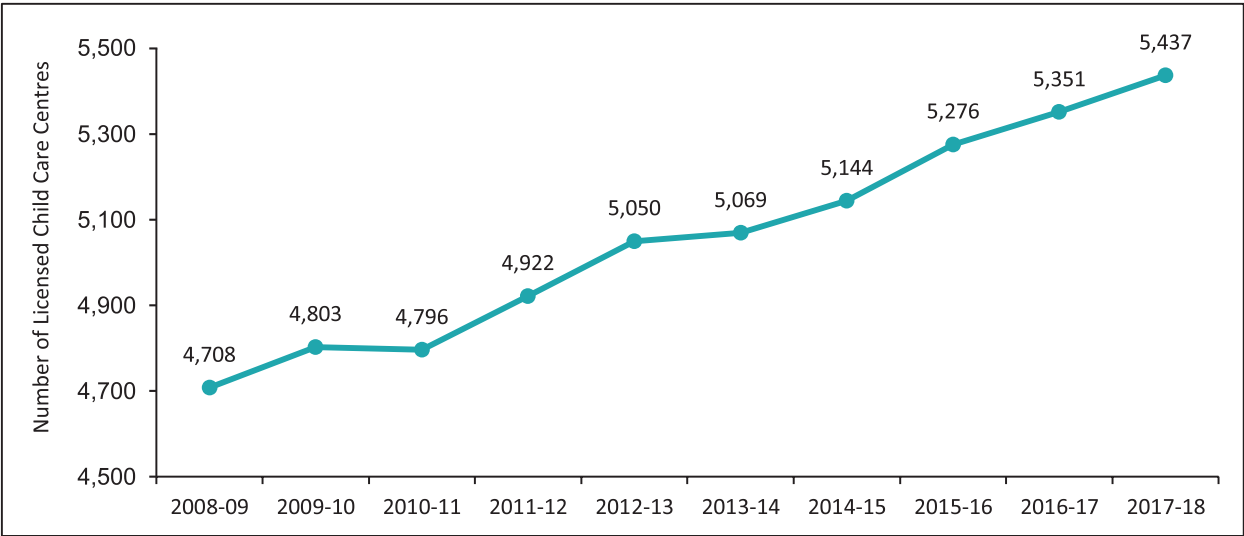


## Overall Trends in Licensed Child Care

Ontario's licensed child care sector continues to grow, driven by growth in licensed child care centres (see Figure 3 and Table 1). Specific areas of growth since 2008-09 include the following:

- The number of licensed child care centres increased by more than 15%, from 4,708 to 5,437. Licensed spaces have increased by 73%, from 246,642 to 427,032.
- The number of spaces has grown across all age groups, including kindergarten (280%), school age (90%), toddler (69%), infant (57%), and preschool (7%).

Figure 3: Number of Licensed Child Care Centres, 2008-09 to 2017-18



Data source: Child Care Licensing System, Ontario Ministry of Education

**Table 1: Spaces in Licensed Child Care Centres by Age Group, 2008-09 to 2017-18**

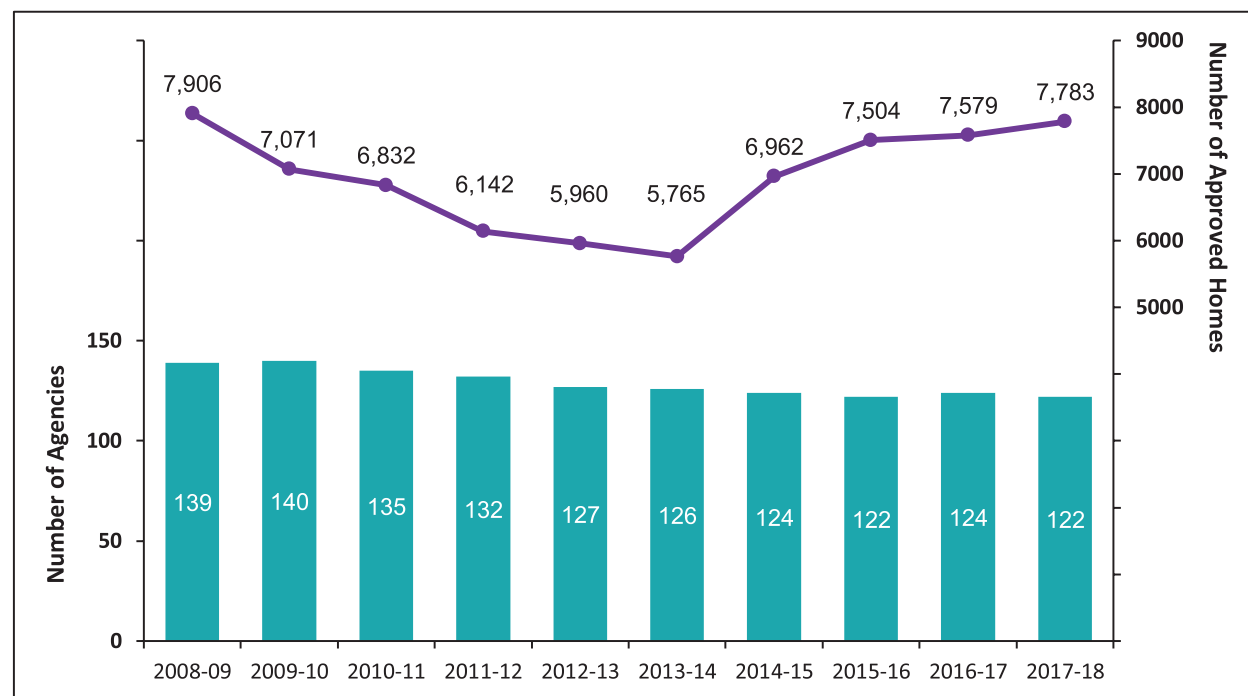
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Number of Spaces</b>	246,642	257,457	264,201	275,873	294,490	317,868	350,801	389,286	406,395	427,032
Infant	8,129	8,511	8,874	9,269	9,634	10,250	11,025	11,759	12,231	12,755
Toddler	26,361	28,083	29,534	30,867	32,578	34,772	37,833	41,211	42,900	44,529
Preschool	101,285	103,174	103,048	103,474	102,731	102,133	102,380	104,802	105,955	108,375
Kindergarten	25,856	27,621	28,944	32,547	40,796	52,168	64,340	85,014	92,035	98,310
School Age	85,808	90,233	93,839	99,743	108,795	118,545	135,223	146,500	153,274	162,901
Family Age Group*	-	-	-	-	-	-	-	-	-	162

Data source: Child Care Licensing System, Ontario Ministry of Education

\* As of September 1, 2017, a new licensed age group – “family age group” – for children 0-12 years was introduced for licensed child care centres. This new group allows children of different ages in the same family to be placed in the same group in a play activity room.

Overall, the number of licensed home child care agencies has decreased by 12% since 2008-09, from 139 to 122 (see the bars in Figure 4), and the number of approved homes has decreased by 2%, from 7,906 to 7,783 (see the line in Figure 4).

**Figure 4: Licensed Home Child Care Agencies and Approved Homes, 2008-09 to 2017-18**



Data source: Child Care Licensing System, Ontario Ministry of Education

## Child Care by Type of Auspice<sup>4</sup>

As of March 31, 2018, 76% of licensed child care centres were not-for-profit, operated by not-for-profit organizations and First Nations, and 79% of child care spaces were in not-for-profit centres. 86% of licensed home child care agencies were not-for-profit and 91% of approved child care homes were affiliated with not-for-profit agencies. (For details on the changes over time, see Tables 2 and 3.)

**Table 2: Licensed Child Care Centres and Spaces in Licensed Child Care Centres by Auspice, 2008-09 to 2017-18**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Number of Centres</b>	4,708	4,803	4,796	4,922	5,050	5,069	5,144	5,276	5,351	5,437
Not-for-profit	3,627	3,663	3,643	3,733	3,859	3,847	3,942	4,007	4,053	4,128
For-profit	1,081	1,140	1,153	1,189	1,191	1,222	1,202	1,269	1,298	1,309
<b>Number of Spaces</b>	246,642	257,457	264,201	275,873	294,490	317,868	350,801	389,286	406,395	427,032
Not-for-profit	186,078	192,256	196,708	205,777	222,851	240,881	272,899	305,317	319,608	337,318
For-profit	60,564	65,201	67,493	70,096	71,639	76,987	77,902	83,969	86,787	89,714

Data source: Child Care Licensing System, Ontario Ministry of Education

**Table 3: Licensed Home Child Care Agencies and Approved Homes by Auspice, 2008-09 to 2017-18**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Number of Agencies</b>	139	140	135	132	127	126	124	122	124	122
Not-for-profit	124	125	121	118	116	113	111	108	109	105
For-profit	15	15	14	14	11	13	13	14	15	17
<b>Number of Approved Homes</b>	7,906	7,071	6,832	6,142	5,960	5,765	6,962	7,504	7,579	7,783
Not-for-profit	7,446	6,624	6,398	5,812	5,640	5,403	6,500	6,992	7,017	7,114
For-profit	460	447	434	330	320	362	462	512	562	669

Data source: Child Care Licensing System, Ontario Ministry of Education

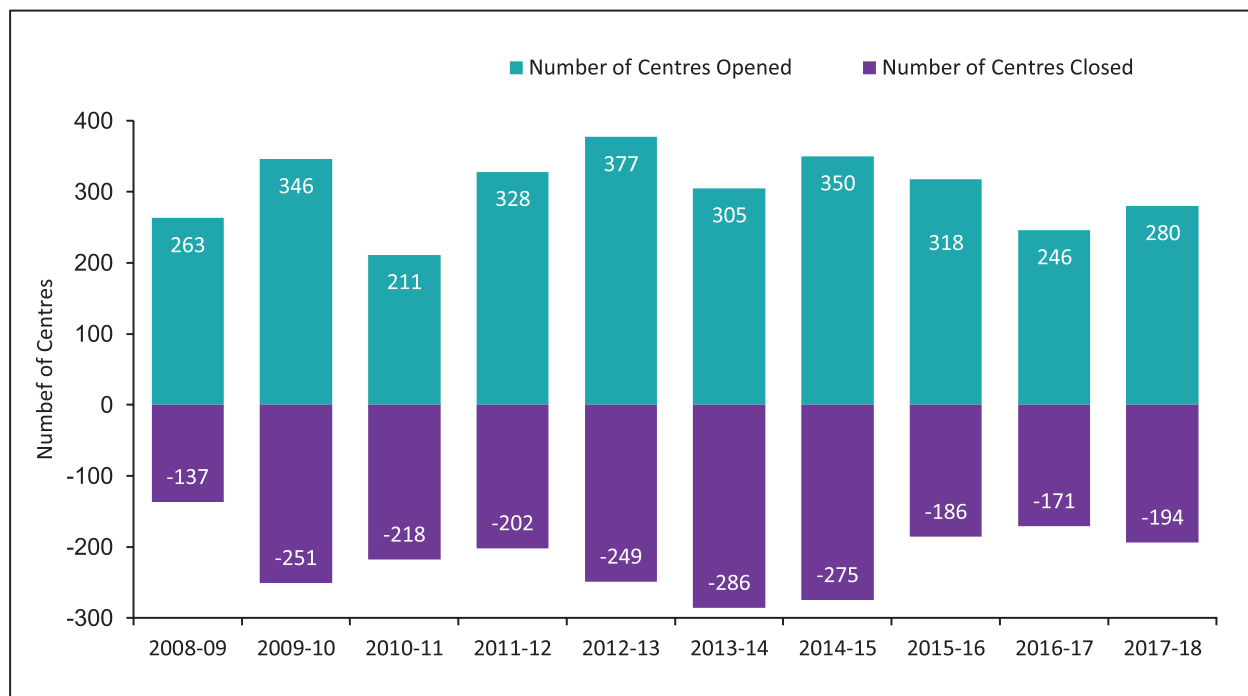
4. "Auspice" refers to the ownership and operation of a service. In this report, licensed child care centres are categorized into two types of auspice: not-for-profit and for-profit.

## Licensed Child Care Centres – Openings and Closures

Licensed child care centres open and close on a regular basis, with more centres opening than closing in most years. Child care centres open for reasons such as the expansion of an existing program, a desire to provide a service for the benefit of a community in response to a need for child care, or local planning efforts by municipalities to address an increase in the need for child care. Centres that close typically do so due to low enrolment.

In 2017-18, 280 child care centres opened and 194 closed. On average, there was an annual net increase of 86 centres per year for the past 10 years (see Figure 5). 729 more child care centres were in operation in 2017-18 than in 2008-09.

Figure 5: Licensed Child Care Centre Openings and Closures, 2008-09 to 2017-18

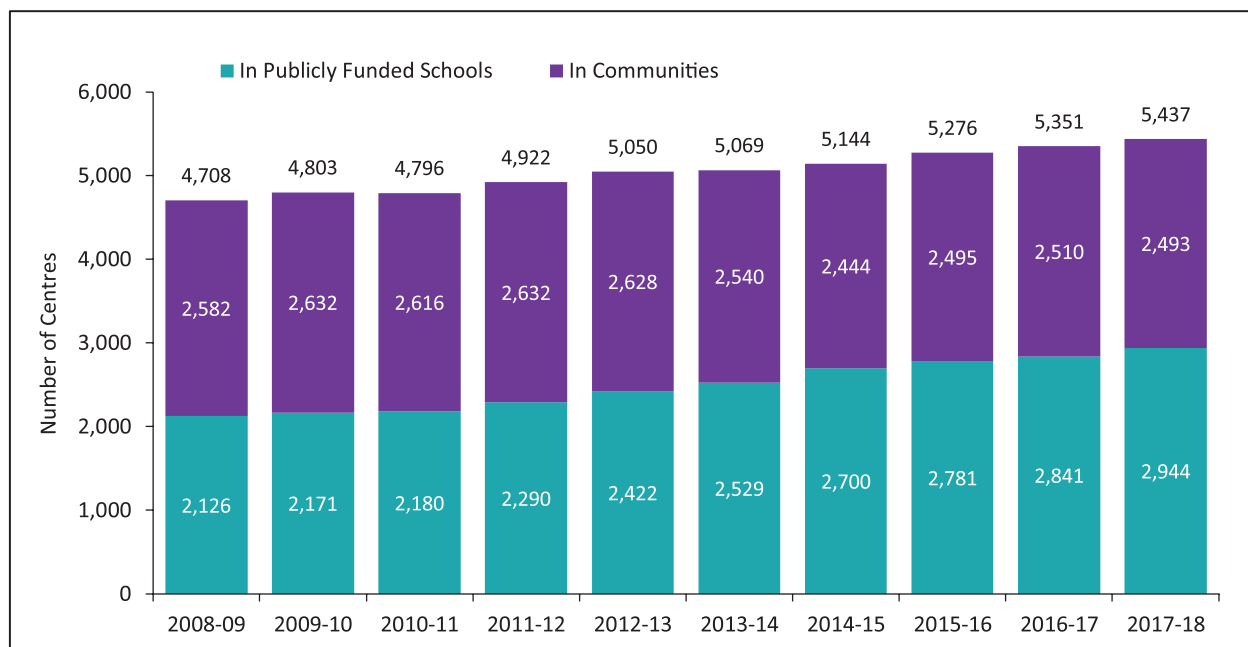


Data source: Child Care Licensing System, Ontario Ministry of Education

## Licensed Child Care in Publicly Funded Schools and in Communities

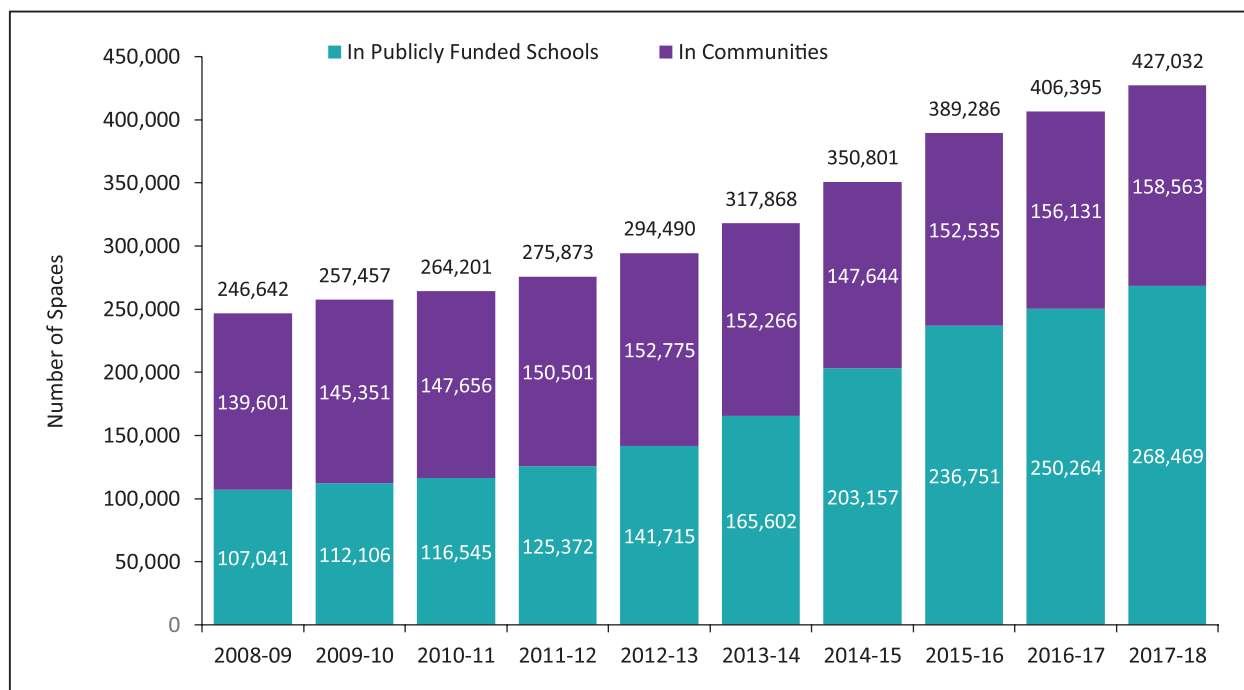
As of March 31, 2018, 54% of child care centres, and 63% of child care spaces, were in publicly funded schools. The remaining 46% of child care centres, and 37% of child care spaces, were located elsewhere in the community. The number of licensed child care centres located in publicly funded schools increased by 4% in 2017-18 compared to the previous year, and spaces increased by 7% in the same period. Since 2008-09, the number of child care centres located in publicly funded schools has increased by 38% (see Figure 6), and spaces have increased by 151% (see Figure 7).

**Figure 6: Licensed Child Care Centres in Publicly Funded Schools and in Communities, 2008-09 to 2017-18**



Data source: Child Care Licensing System, Ontario Ministry of Education

**Figure 7: Licensed Child Care Spaces in Publicly Funded Schools and in Communities, 2008-09 to 2017-18**



Data source: Child Care Licensing System, Ontario Ministry of Education

### First Nations Licensed Child Care

As of March 31, 2018, 76 licensed child care centres were operated by 58 First Nations in Ontario. Licensed child care spaces on reserve have increased by 4% since 2008-09 (see Table 4).

**Table 4: First Nations Licensed Child Care Centres and Spaces by Age Group, 2008-09 to 2017-18**

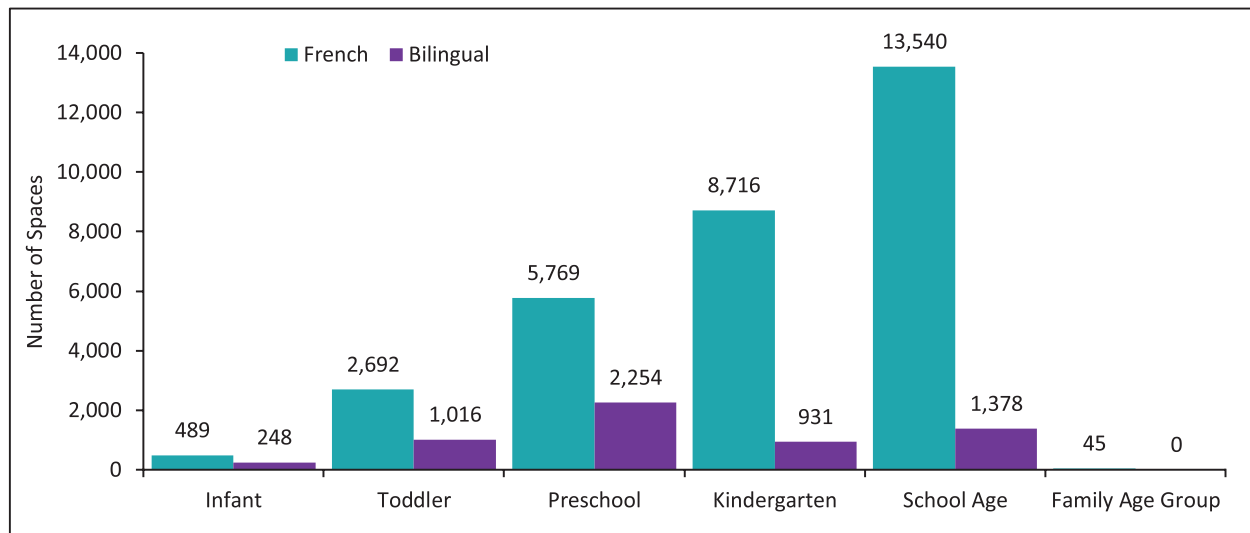
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Number of Centres</b>	75	77	78	76	76	74	75	76	76	76
Infant	210	221	227	223	232	254	270	296	290	290
Toddler	614	652	662	682	692	702	727	727	727	731
Preschool	1,550	1,581	1,613	1,602	1,624	1,620	1,568	1,541	1,553	1,551
Kindergarten	315	345	279	197	205	172	177	192	192	227
School Age	391	401	391	439	458	443	398	413	413	416
<b>Total Number of Spaces</b>	<b>3,080</b>	<b>3,200</b>	<b>3,172</b>	<b>3,143</b>	<b>3,211</b>	<b>3,191</b>	<b>3,140</b>	<b>3,169</b>	<b>3,175</b>	<b>3,215</b>

Data source: Child Care Licensing System, Ontario Ministry of Education

## French-language and Bilingual Licensed Child Care

Some licensed child care centres offer services in French or in both English and French (i.e., bilingual). In 2017-18, of the 5,437 licensed child care centres, 302 offered programs in French, and 80 offered bilingual programs. Of the 427,032 licensed child care spaces, 31,251 (7%) were for programs in French and 5,827 (1%) were for bilingual programs. (For more about how these spaces are distributed by age, see Figure 8.)

**Figure 8: Licensed Child Care Spaces in French-language and Bilingual Child Care by Age Group, 2017-18**



Data source: Child Care Licensing System, Ontario Ministry of Education

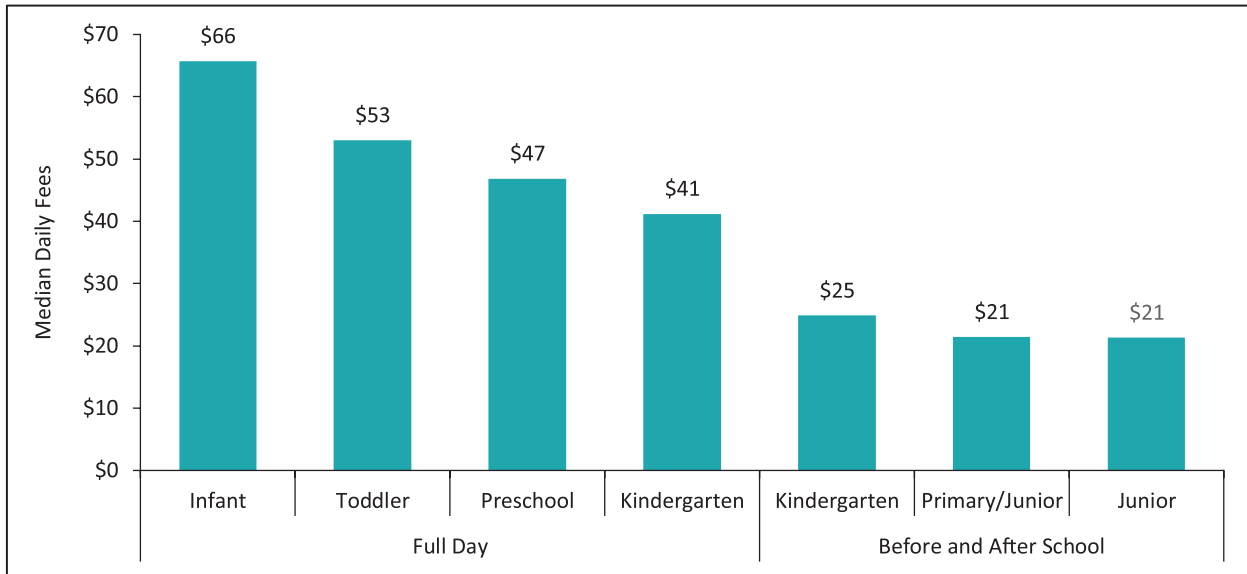
## Parent Fees by Age Group

In 2018, median parent fees among licensed child care centres ranged from \$66 per day for infants to \$21 per day for school-aged children. Median parent fees among licensed home child care agencies ranged from \$45 per day for infants to \$25 per day for school-aged children.

Licensed child care continues to be more expensive for younger children than it is for older children. In general, daily parent fees for younger children were higher among licensed child care centres than home child care agencies. Conversely, fees for older children were lower among licensed child care centres than home child care agencies. (See Figures 9 and 10.<sup>5</sup>)

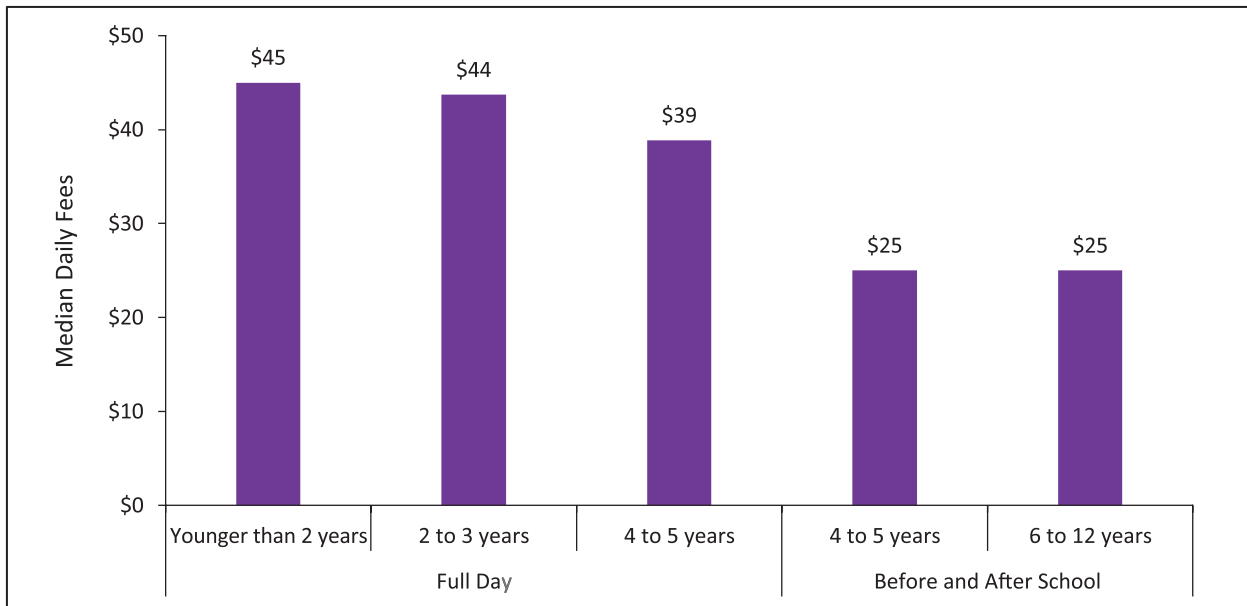
5. Different sets of age categories were used to collect data for licensed child care centres and licensed home child care agencies. Age categories used for licensed child care centres are in accordance with the *Child Care and Early Years Act, 2014*. These age categories do not apply to licensed home child care.

**Figure 9: Median Daily Fees by Age Group Among Licensed Child Care Centres, 2018**



Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education

**Figure 10: Median Daily Fees by Age Group Among Licensed Home Child Care Agencies, 2018**



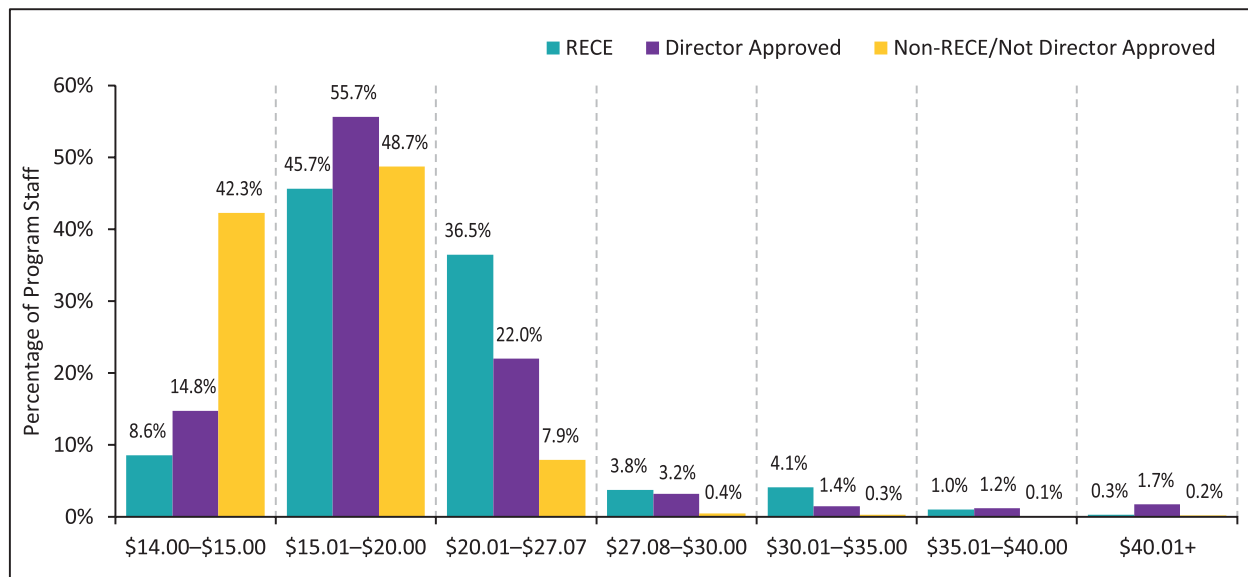
Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education



## Staff Wages by Category

The majority of full-time program staff in licensed child care centres earned between \$15 and \$20 per hour (see Figure 11). Program staff fall into one of three categories: Registered Early Childhood Educators (RECEs), staff approved by a ministry director,<sup>6</sup> and staff who are not RECEs and have not been director-approved.

**Figure 11: Hourly Wages of Full-time Program Staff in Licensed Child Care Centres, 2018**



Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education

6. Ontario Regulation 137/15 sets out rules under the *Child Care and Early Years Act, 2014* governing staff in licensed child care centres. For each group of children in licensed child care centres, the licensee is required to employ at least one program staff member who

- is listed on the College of Early Childhood Educators' Public Register as a member in good standing ("current member"); or
- has been otherwise approved by a director.

For more information, see "Staff Qualifications" under "Licensed Child Care Indicators".

# EarlyON Child and Family Centres

EarlyON Child and Family Centres offer free drop-in programs for caregivers and children from birth to six years old. The centres are open to all families in Ontario and offer a range of services:

- activities such as reading, storytelling, games, and sing-alongs
- advice from professionals trained in early childhood development
- information about other family services in the community
- opportunities to connect with other families with young children.

The ministry's **EarlyON Child and Family Centre website** allows parents and caregivers to find child and family programs in their communities.

Consolidated Municipal Service Managers and District Social Services Administration Boards assumed responsibility for EarlyON Child and Family Centres in January 2018. These service system managers are responsible for the local management of EarlyON centres as part of their responsibility for the management of child care and other human services.

As of March 31, 2018, there were approximately 1,155 EarlyON Child and Family Centre locations across Ontario of which 376 were main EarlyON Child and Family Centre locations and 779 were mobile/satellite EarlyON Child and Family Centre locations.<sup>7</sup>

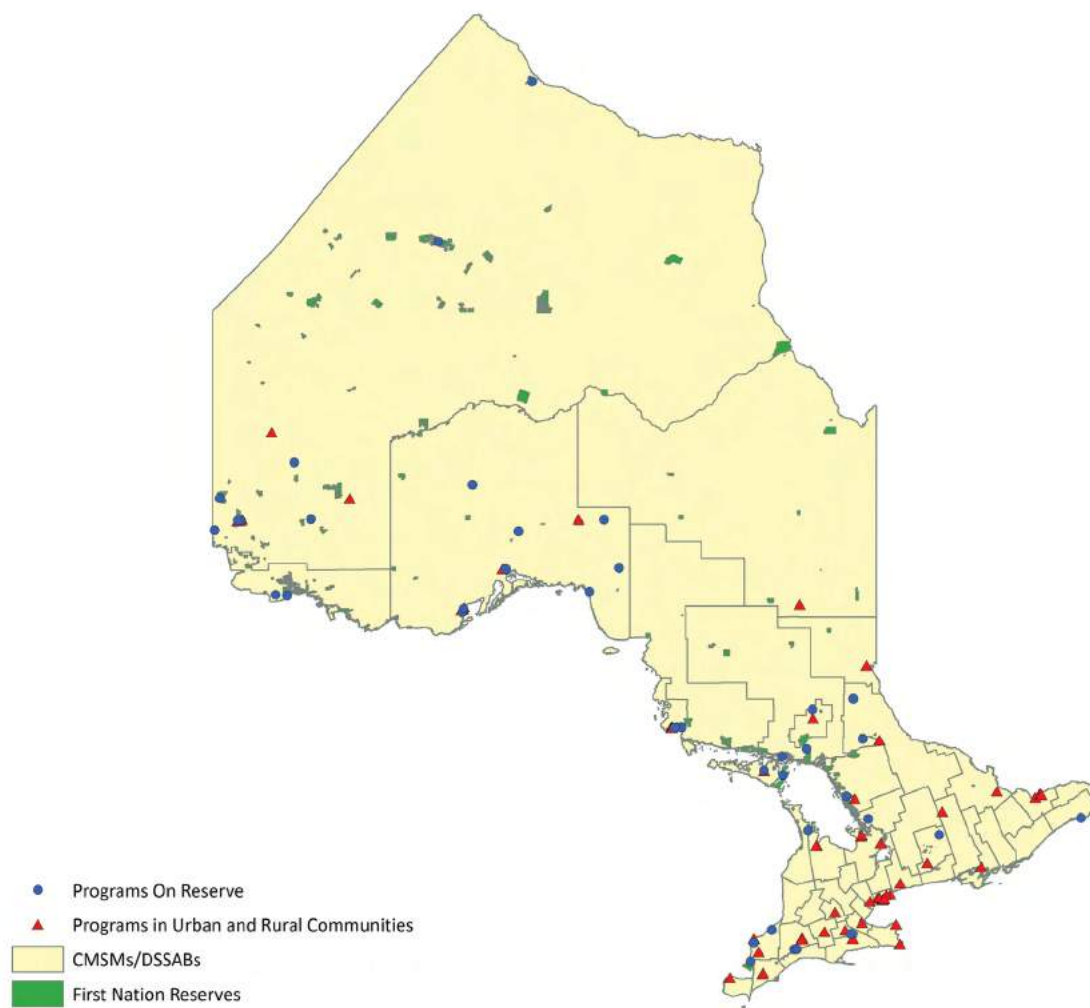
Of the total number of EarlyON Child and Family Centre locations, approximately 400 offer non-standard hours, 110 offer French-language programming, and 65 offer Indigenous programming.

7. The Ministry of Education recognizes that 2018 is a year of transition as service system managers continue to work with community partners to implement plans to integrate child and family programs into a system of EarlyON Child and Family Centres. As a result, the data provided in this report are approximations, as communities continue to provide updates to the ministry on the implementation. The ministry has been working with service system managers and service providers to regularly update the provincial EarlyON website to ensure that parents and caregivers have up-to-date information regarding the EarlyON Child and Family Centres in their communities.

# Indigenous Programs On Reserve and in Urban and Rural Communities

As part of Ontario's commitment to reconciliation with Indigenous people, the ministry established or enhanced 43 on reserve programs (5 enhanced, 38 new) and 60 programs in urban and rural communities (10 child care programs, 13 joint child care and child and family programs, and 37 child and family programs). (See Figure 12.)

**Figure 12: Indigenous Child Care and Child and Family Programs On Reserve and in Urban and Rural Communities**



Data sources: Ontario Ministry of Education; Statistics Canada

# Early Years Developmental Health and Well-Being

Information on children’s developmental health and well-being prior to Grade 1 is collected throughout the province using the Early Development Instrument (EDI). The EDI is a questionnaire that teachers complete about the skills and abilities of each of their Year 2 (senior) kindergarten students. It measures developmental health and well-being across five domains:

- physical health and well-being
- social competence
- emotional maturity
- language and cognitive development
- communication skills and general knowledge.

The EDI is used as a population measure (i.e., a measure of whole populations based on geographical or administrative boundaries) by the ministry, municipalities, school boards, and community organizations to inform decision-making and plan early years programs and services. The ministry uses the EDI as a key indicator to monitor the state of young children in Ontario.

Since 2004, the EDI has been collected across the province in three-year cycles:

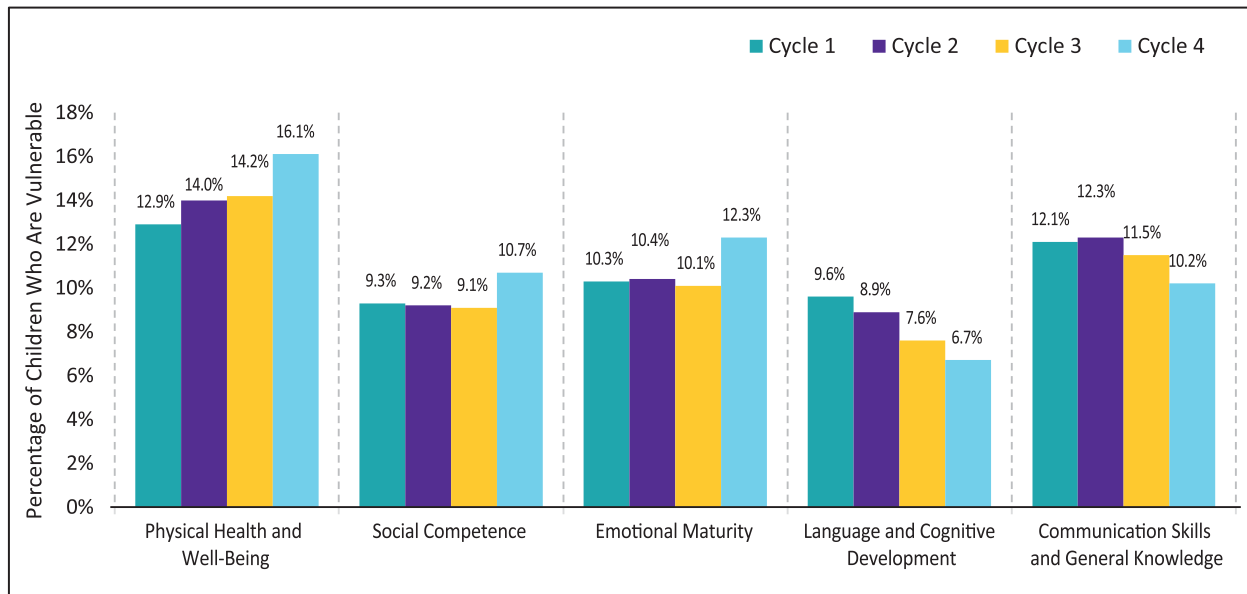
- over a three-year period for Cycle 1 (2004-06), Cycle 2 (2007-09), and Cycle 3 (2010-12)
- in a single year, every three years, for Cycle 4 (2015) and Cycle 5 (2018).<sup>8</sup>

EDI results can be compared over time to get a sense of how young children’s developmental health and well-being is changing in Ontario. Examining the percentage of vulnerable children<sup>9</sup> by domain is a way of monitoring areas where children’s level of difficulty in meeting age appropriate developmental expectations may change over time (see Figure 13). The results can also be combined to look at all those who are vulnerable in *one or more* of the five domains (see Figure 14). Combining domains in this way provides a fuller picture and captures those children who may be vulnerable in single domains or in multiple domains.

8. 113,323 EDI questionnaires were analysed for Cycle 1; 110,916 for Cycle 2; 119,494 for Cycle 3; and 125,858 for Cycle 4. Cycle 5 data was not yet available at the time of this report’s release.

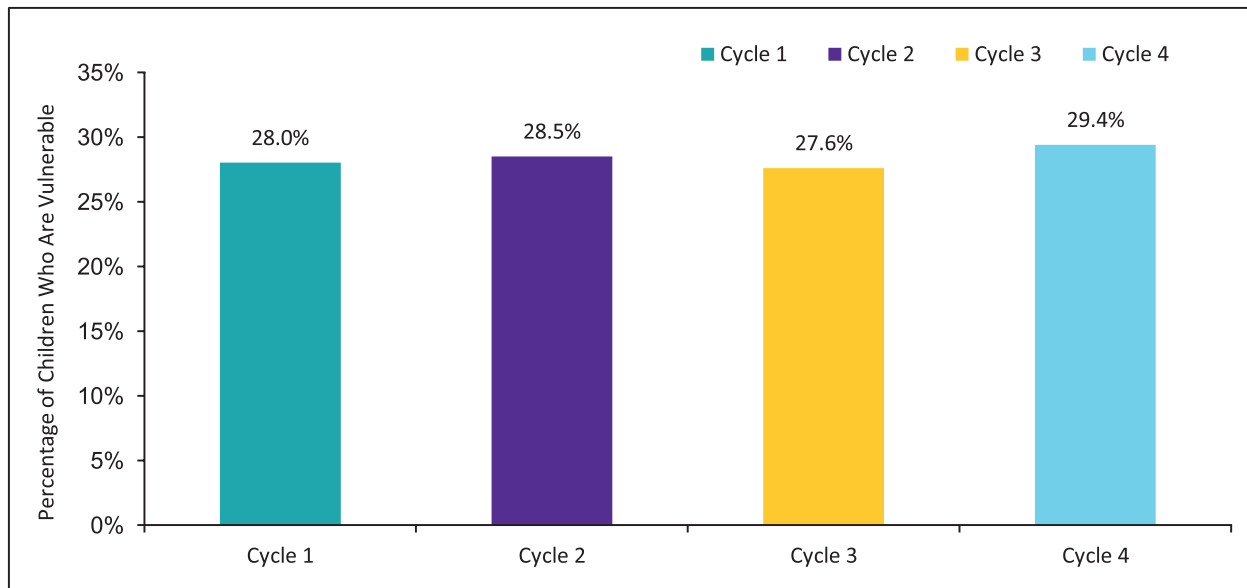
9. “Vulnerable” describes children who score below the 10th percentile of the Ontario EDI baseline population scores. This indicates that they are struggling in comparison to the baseline population.

**Figure 13: Percentage of Vulnerable Children by EDI Domain, 2004-15**



Data source: Offord Centre for Child Studies, McMaster University

**Figure 14: Percentage of Children Who Are Vulnerable in One or More EDI Domains, 2004-15**



Data source: Offord Centre for Child Studies, McMaster University



## PART 3: Indicators under the Canada-Ontario Early Learning and Child Care Agreement

The federal government committed \$400 million in their 2016 budget, and an additional \$7 billion over years in their 2017 budget, to establish a Multilateral Early Learning and Child Care Framework<sup>10</sup> with provinces and territories.<sup>11</sup> Under the framework, the federal government and these provinces and territories agreed to work together over time to achieve broad long term goals for early learning and child care systems that are high quality, accessible, affordable, flexible, and inclusive. These provinces and territories also agreed to report annually on progress made in relation to the framework and on the impact of federal funding, while reflecting the priorities of each jurisdiction in early learning and child care.

On June 12, 2017, Ontario was the first province to sign an agreement under the framework, known as the three-year Canada-Ontario Early Learning and Child Care Agreement.<sup>12</sup> Under the agreement, the federal government

10. Available on the Government of Canada's website at: <https://www.canada.ca/en/employment-social-development/programs/early-learning-child-care/reports/2017-multilateral-framework.html>

11. Quebec is not part of the Multilateral Early Learning and Child Care Framework.

12. Available on the Government of Canada's website at: <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/ontario.html>

agreed to allocate \$439 million to Ontario over three years (i.e., 2017-18, 2018-19, and 2019-20).<sup>13</sup> Current annual investments include:<sup>14</sup>

- \$100 million to support access for children and families to child care
- \$40 million to support access to EarlyON Child and Family Centres
- \$5 million to support innovative approaches that provide access to high quality training and professional learning opportunities for the early years and child care workforce.

This section highlights Ontario's progress in working towards increasing quality, accessibility, affordability, flexibility, and inclusion in early learning and child care under the Canada-Ontario Early Learning and Child Care Agreement. For more about the indicators that are being used to measure Ontario's progress, see **Appendix: List of Indicators under the Canada-Ontario Early Learning and Child Care Agreement**.

## 2017-18 Expenditures and Actions

Under the agreement, Ontario received \$146.5 million in federal funding in the 2017-18 fiscal year, of which \$18.8 million was carried forward to the 2018-19 fiscal year. Ontario's actual expenditures in the 2017-18 fiscal year were \$127.7 million.

The 2017-18 funding supported the following three action areas:

- increasing access to affordable, high quality licensed child care
- increasing access to EarlyON Child and Family Centres
- innovative approaches to providing access to high quality training and professional learning opportunities for the early years and child care workforce.

13. Actual allocations may vary according to the latest population estimates.

14. Totals may not add up due to rounding.

**Table 5: Canada-Ontario Early Learning and Child Care Agreement Expenditures and Actions for 2017-18**

Areas	Federal Allocations	Actions	Actual Expenditures
Licensed Child Care	Ontario allocated \$100 million of the federal funding for increased subsidies and access to licensed child care in Ontario. There are two components to this investment, including \$80 million for children aged 0-6, and \$20 million to support access to affordable child care across the system based on local priorities.	<p>The federal funding was provided to service system managers through provincial-municipal service agreements.</p> <p>Service agreements, including funding under the Canada-Ontario Early Learning and Child Care Agreement, were provided to service system managers on June 16, 2017. Service system managers then submitted their proposed strategies to the ministry for approval.</p>	\$100 million
EarlyON Child and Family Centres	Ontario allocated \$40 million of the federal funding to service system managers to support the integration of the ministry's former four child and family programs into a cohesive system of services and supports for children aged 0-6 and their parents and caregivers beginning January 1, 2018.	<p>Service system managers submitted their initial plans for the implementation of EarlyON Child and Family Centres on September 29, 2017.</p> <p>Responsibility for EarlyON Child and Family Centres was transferred to service system managers in January 2018.</p>	\$26.2 million
Professional Development	\$2 million was used to increase the number of students supported through the Early Childhood Education Qualifications Upgrade Program (ECE QUP).	The ECE QUP is an important part of the government's plan to support the ongoing professionalization of the sector. Along with provincial funding, up to \$5.5 million in grants was available in 2017-18.	\$1.5 million
	\$3 million was dedicated to establish Centres of Excellence to support the early years and child care workforce.	The ministry announced a Call for Proposals for Centres of Excellence for Early Years and Child Care. Three organizations were selected to lead the Provincial, Indigenous and Francophone Centres of Excellence. Service plans from lead organizations were due July 20, 2018.	(No expenditures for Centres of Excellence in 2017-18)



# Licensed Child Care Indicators

The indicators reported in this section are reflective of the areas of investment under the agreement for increasing quality, accessibility, affordability, flexibility, and inclusion in licensed child care (see **Appendix: List of Indicators under the Canada-Ontario Early Learning and Child Care Agreement**).

## Quality

### *Staff Qualifications*

Ontario Regulation 137/15 under the Child Care and Early Years Act, 2014 sets out the minimum requirements for staff qualifications in licensed child care centres and home child care agencies, including requirements for the ratio of employees to children, the maximum number of children in a group, and the proportions of employees that must be qualified employees in licensed child care centres, which varies for different age groups (see Table 6). The minimum requirements are as follows:

A **supervisor** shall be a person who:

- is a member in good standing of the College of Early Childhood Educators, has at least two years of experience providing licensed child care, and is approved by a ministry director; or
- in the opinion of a director, is capable of planning and directing the program of a child care centre, being in charge of children, and overseeing staff.

A **qualified employee** for any licensed age group shall be a person who is:

- an employee who is a member in good standing of the College of Early Childhood Educators; or
- an employee who is otherwise approved by a director.

A **home child care visitor** is an employee of a home child care agency who monitors and provides support at licensed home child care locations. A home child care visitor shall be a person who:

- is a member in good standing of the College of Early Childhood Educators, has at least two years of experience working with children under 13 years old, and is approved by a director; or
- is, in the opinion of a director, capable of providing support and supervision at a home child care premises.

**Table 6: Staff/Child Ratios, Group Sizes, and Proportion of Employees That Must Be Qualified Employees for Different Age Categories in Licensed Child Centre–Based Care**

Age categories	Age range	Ratio of employees to children	Maximum number of children in group	Proportion of employees that must be qualified employees
Infant	Younger than 18 months	3 to 10	10	1/3
Toddler	18 months or older but younger than 30 months	1 to 5	15	1/3
Preschool	30 months or older but younger than 6 years	1 to 8	24	2/3
Kindergarten	44 months or older but younger than 7 years	1 to 13	26	1/2
Primary/junior school age	68 months or older but younger than 13 years	1 to 15	30	1/2
Junior school age	9 years or older but younger than 13 years	1 to 20	20	1/1

The ministry monitors and enforces staff qualification requirements in all licensed child care centres and home child care agencies. Centres and agencies meet the requirements by employing supervisors, staff, and home child care visitors who are RECEs, or through director approvals as described above.

It is estimated that:<sup>15</sup>

- 81% of licensed child care centres employed RECEs for supervisor positions, and the remaining 19% had director approval for one or more such positions
- 62% of licensed child care centres employed only RECEs for the positions requiring qualified employees, and the remaining 38% of centres had director approval for one or more such positions
- 81% of licensed home child care agencies employed RECEs for all home child care visitor positions, and the remaining 19% had director approval for one or more such positions.

15. Data source: Child Care Licensing System, Ontario Ministry of Education, as of March 31, 2018.

## Pedagogical Framework

*How Does Learning Happen? Ontario's Pedagogy for the Early Years, 2014* (referred to hereafter as HDLH) is a professional learning resource for those working in child care and child and family programs. It supports pedagogy and program development in early years settings that is shaped by views about children, educators, and families, and the relationships among them. Additional regulations under the Child Care and Early Years Act, 2014 are also in place to help child care licensees embed HDLH into practice.

As of March 31, 2018, 7 out of 5,437 licensed child care centres had outstanding non-compliances with the requirements regarding the development and implementation of a program statement that is consistent with HDLH, and these non-compliances were all resolved by the time this report was released. The ministry continues to support the implementation of the HDLH pedagogy in licensed child care programs in the province.

## Access

As of March 31, 2018, there were 427,032 licensed child care spaces in centres across the province, with 20,637 spaces added to the system over the previous year. It is estimated that there are enough spaces in licensed child care centres for 22% of children in the province.<sup>16</sup> (For a comparison of the past two years, see Table 7.)

**Table 7: Ontario Child Population, Licensed Spaces, and Percentage of Children with Access to Licensed Child Care, 2016-17 to 2017-18**

	2016-17	2017-18
Child population aged 0-12	1,943,469	1,966,462
Licensed spaces in centres for children aged 0-12	406,395	427,032
Percentage of children aged 0-12 for whom there are licensed child care spaces	21%	22%

Data source for child population: Ontario Ministry of Finance.

16. The estimation does not account for children cared for in homes contracted with licensed home child care agencies.

## Affordability

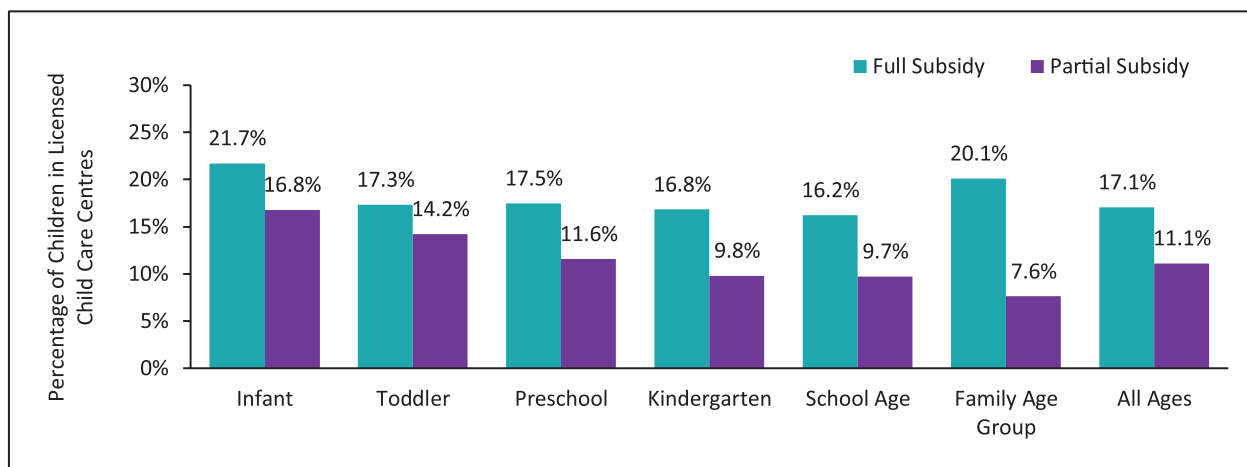
The funding under the Canada-Ontario Early Learning and Child Care Agreement supports new full and/or partial fee subsidies and increased access through the following priorities:

- Supporting children aged 0-6 years through additional fee subsidies, increased access, broadly reducing licensed child care fees and by increasing affordability, and/or not-for-profit community-based capital projects (excluding capital projects for child care programs that run during school hours for kindergarten and school age children).
- Supporting children aged 0-12 years through additional fee subsidies, increased access, and/or broadly reducing licensed child care fees and by increasing affordability.

In 2017, service system managers indicated that approximately 9,400 children would be supported under the above priorities.<sup>17</sup>

In 2018, approximately 28% of children in licensed child care centres received a subsidy (see Figure 15), and 67% of children in licensed home child care received a subsidy (see Figure 16).

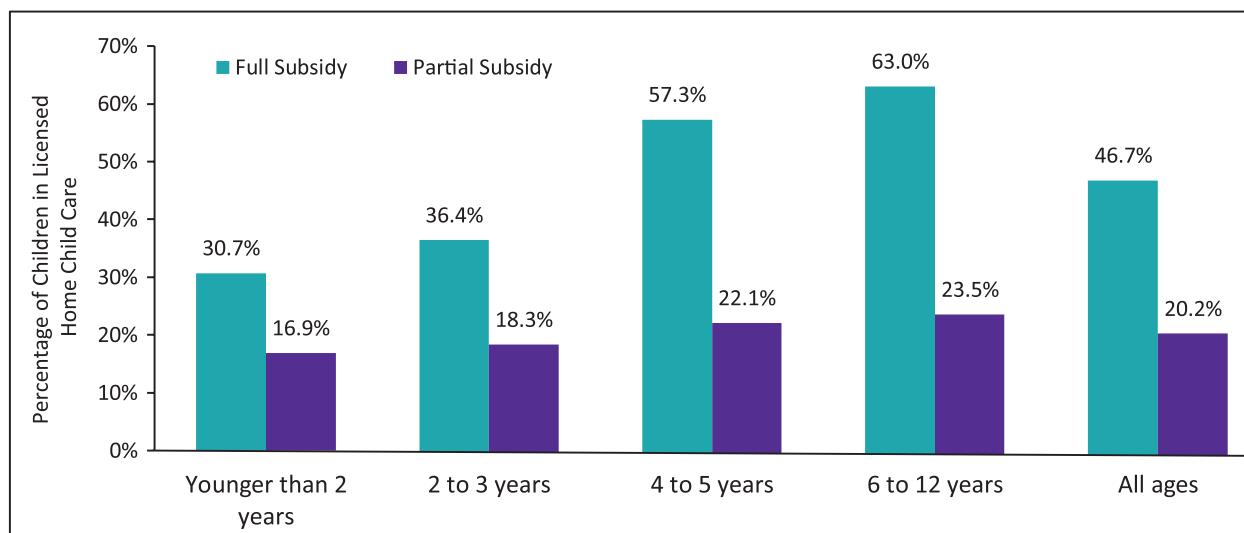
**Figure 15: Percentage of Children in Licensed Child Care Centres Receiving a Full or Partial Subsidy by Age, 2018**



Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education

17. Data source: Transfer payment agreements with service system managers, Ontario Ministry of Education.

**Figure 16: Percentage of Children in Licensed Home Child Care Receiving a Full or Partial Subsidy by Age, 2018**



Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education

## *Flexibility and Inclusion*

### *Non-standard Hours*

Flexibility in child care service delivery is important for meeting the needs of parents and caregivers that work non-standard schedules. In Ontario, a small proportion of licensed child care centres and home child care agencies provide care during non-standard hours:<sup>18</sup>

- 1% of centres reported that service was available during the week after 7 p.m.; 9% reported the availability of weekend care; and less than 1% reported the availability of overnight care.
- 12% of home providers reported that service was available during the week after 7 p.m.; 10% reported the availability of weekend care; and 7% reported the availability of overnight care.

### *Special Needs Resourcing*

The province provides Special Needs Resourcing funding to service system managers and First Nations to support the inclusion of children with special needs in licensed child care settings, including home child care, camps, and authorized recreation programs, at no additional cost to parents/guardians. Under Ontario Regulation 138/15, a “child with special needs” means a child whose cognitive, physical, social, emotional, or communicative needs, or

18. Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education.

whose needs relating to overall development, are of such a nature that additional supports are required for the child.

A total of 31,766 children were funded through Special Needs Resourcing between January 1 and December 31, 2016. Municipalities did not report Special Needs Resourcing data by funding source, so data specific to federal funding was not available.

### *Indigenous-led Centres in Urban and Rural Areas*

A total of 25 licensed child care centres reported that they were Indigenous-led organizations operating in urban and rural communities.<sup>19</sup>

### *French-language and Bilingual Child Care*

There was an increase in the number of licensed child care centres offering French-language or bilingual programs between 2016-17 and 2017-18 (see Table 8).

**Table 8: Licensed Child Care Centres Offering French-language or Bilingual Programs and Spaces Available, 2016-17 to 2017-18**

Licensed child care centres offering French-language programs		
	2016-17	2017-18
Number of centres	294	302
Number of spaces	28,623	31,251
Licensed child care centres offering bilingual programs		
	2016-17	2017-18
Number of centres	65	80
Number of spaces	4,694	5,827

Data source: Child Care Licensing System, Ontario Ministry of Education

19. Data source: 2018 Licensed Child Care Operations Survey, Ontario Ministry of Education.

### *Children in Licensed Child Care by Income*

The ministry does not collect income data from families that enroll their children in licensed child care. This indicator is estimated using the number of licensed child care spaces in the province, and data on the distribution of families across income levels from Statistics Canada.

As of March 31, 2018, there were 427,032 licensed child care spaces for children aged 0-12 in Ontario. Approximately 21% of families with children in the province earned a family income below \$40,000, 40% earned between \$40,000 and \$100,000, and 39% earned above \$100,000.<sup>20</sup>

It is estimated, based on the income distribution, that:

- more than 92,000 spaces are used by children from families with income below \$40,000
- about 170,000 spaces are used by children from families with income between \$40,000 and \$100,000
- about 165,000 are used by children from families with income above \$100,000.

20. Data source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016104.



# EarlyON Child and Family Centres Indicators

The indicators reported in this section are reflective of the areas of investment under the agreement for increasing quality, accessibility, affordability, flexibility, and inclusion in child and family centres (see **Appendix: List of Indicators under the Canada-Ontario Early Learning and Child Care Agreement**).

## Quality

### *Staff Qualifications*

Experiences in EarlyON Child and Family Centres are designed to foster positive outcomes and support nurturing relationships for children and their parents and caregivers based on the latest evidence and research. RECEs play a key role in delivering high quality early years programs because they have specialized knowledge and expertise in child development and in play- and inquiry-based learning.

Service system managers are required to ensure that qualified staff teams are responsible for delivering programs and services at every EarlyON centre. Qualified staff teams must include at least one RECE to deliver mandatory core services related to supporting early learning and development. Where an EarlyON Child and Family Centre is unable to recruit at least one RECE to deliver these core services, the service system manager may grant an exemption from the requirement.

### *Pedagogical Framework*

EarlyON Child and Family Centres are expected to provide programs that reflect the view of children, parents and caregivers, and educators as competent, capable, curious, and rich in potential and experience. Guided by *How Does Learning Happen? Ontario's Pedagogy for the Early Years*, EarlyON Child and Family Centres offer an environment that engages parents and caregivers as co-learners and leaders in influencing positive child, family, and community experiences and outcomes.

## ***Access, Affordability, Flexibility, and Inclusion***

As of March 31, 2018, there were approximately 1,155 EarlyON Child and Family Centre locations across Ontario, of which 376 were main EarlyON Child

and Family Centre locations and 779 were mobile/satellite EarlyON Child and Family Centre locations.

Of the total number of locations, approximately 400 locations offered non-standard hours, 110 offered French-language programming, and 65 offered Indigenous programming.

Approximately 145 new EarlyON Child and Family Centre rooms in 88 locations were approved by the ministry in 2017-18, of which 84 new rooms in 47 locations were approved using approximately \$21.4 million invested by the federal government through the Canada-Ontario Early Learning and Child Care Agreement. The ministry is also monitoring EarlyON expansion supported through operating funding under the agreement over the next three years.

In 2016-17, 334,268 children were served by child and family programs at EarlyON centres,<sup>21</sup> or approximately 32% of children in the province aged 0-6.<sup>22</sup> There were approximately 2,119,624 visits to EarlyON centres made by children, and 1,636,106 visits made by parents and caregivers.<sup>23</sup>

## Professional Learning Indicators

The indicators reported in this section are reflective of the area of investment under the agreement for innovative approaches to providing access to high quality training and professional learning opportunities for the early years and child care workforce (see **Appendix: List of Indicators under the Canada-Ontario Early Learning and Child Care Agreement**).

### *ECE Qualification Upgrade Program*

Individuals working in child care and early years programs can apply for grants to help upgrade their qualifications. This involves earning an early childhood education diploma and becoming eligible to apply for membership with the College of Early Childhood Educators. The program also provides opportunities for leadership development, targeted to those who are working in supervisory roles or who aspire to do so, and who are already RECEs.

21. Data source: Ontario Ministry of Education. Some 2016-17 submissions from municipalities were still under review at the time this report was released. The numbers are preliminary.

22. Percentage is an estimate based on the number of children served and the total population of children in the province aged 0-6.

23. Data source: Ontario Ministry of Education. Some 2016-17 submissions from municipalities were still under review at the time this report was released. The numbers are preliminary.

Financial support is available to eligible applicants in the form of education grants, travel grants, and a training allowance.

The ministry continues to work towards expanding access to the program to increase the number of RECEs in child care and early years programs.

In 2017-18, a total of 1,114 applications were approved under the ECE Qualification Upgrade Program.

In 2017-18, the ministry allocated \$1.5 million federal funding through a service agreement with North Bay Regional Health Centre, the administrator of the ECE Qualification Upgrade Program. Due to the timing of the funding and the nature of the program, this funding was carried forward to the 2018-19 service agreement. The ministry is working with North Bay Regional Health Centre to increase outreach and uptake of the program across the province in order to fully utilize this funding in 2018-19. The ministry anticipates that improvements to the program will be reflected in an increased number of grant approvals, which will be shared in the 2018-19 fiscal year report.

### *Centres of Excellence for Early Years and Child Care*

Centres of Excellence for Early Years and Child Care are a new initiative being funded as part of Ontario's action plan under the Canada-Ontario Early Learning and Child Care Agreement. The centres will connect practitioners, educational institutions, and service providers through innovative professional learning networks across Ontario.

In November 2017, the ministry announced a Call for Proposals to the early years and child care sector and received proposals from a broad range of partners across the province. The following lead organizations, working in collaboration with partners across the province, were selected to lead the Provincial, Indigenous, and Francophone Centres of Excellence:

- Provincial Centre of Excellence — Western University and Ontario Reggio Association
- Indigenous Centre of Excellence — Ontario Aboriginal Head Start Association and Kenjgewin Teg Education Institute
- Francophone Centre of Excellence — Collège Boréal and L'Association francophone à l'éducation des services à l'enfance de l'Ontario.

The roles of Centres of Excellence will include:

- supporting alignment with *How Does Learning Happen? Ontario's Pedagogy for the Early Years* and promoting cohesion in pedagogical approaches and practices across early years programs
- building the pedagogical leadership capacity of program staff in the early years sector through innovative models and strategies that are grounded in current research and that result in positive, inclusive, and culturally relevant early years experiences for all children and their families
- creating linkages to and/or developing professional learning resources that are responsive to the needs of the sector and accessible online through a Centre of Excellence portal.

## Appendix: List of Indicators under the Agreement

HIGH QUALITY CHILD CARE			
Principles	Indicators Related to Planned Investment*	Indicators as Reported by Ontario	Reference to the Data in the Report
High Quality	Number and percentage of providers with Early Childhood Education (ECE) certification	Number and percentage of program staff who are Registered Early Childhood Educators (RECEs)  Percentage of licensed child care centres employing only RECEs for the positions requiring qualified employees	See "Staff Qualifications" under "Licensed Child Care Indicators"
	Number and percentage of programs adopting Ontario's Pedagogy for the Early Years – How Does Learning Happen	Number of affirmations confirming programming alignment with How Does Learning Happen?	See "Pedagogical Framework" under "Licensed Child Care Indicators"
Accessible Affordable and Flexible	Number and percentage of children who have access to licensed child care	Percentage of children aged 0-12 for whom there are licensed child care spaces	See "Access" under "Licensed Child Care Indicators"
	Number and percentage of children receiving subsidies	Number and percentage of children receiving child care fee subsidies	See "Affordability" under "Licensed Child Care Indicators"
	Number and percentage of licensed child care programs that offer flexible hours	Number and percentage of programs providing care during non-standard hours	See "Flexibility and Inclusion" under "Licensed Child Care Indicators"
	Number of additional licensed child care spaces created	Number of additional licensed child care spaces created in licensed centres	See "Access" under "Licensed Child Care Indicators"
	Number of children receiving subsidy by family income	Number and percentage of children receiving child care fee subsidies by family income	See "Affordability" under "Licensed Child Care Indicators"
Inclusive	Number of child care programs designed to serve French linguistic minority communities and Indigenous People off-reserve	Number of French-language licensed child care centres	See "French-language and Bilingual Child Care" under "Licensed Child Care Indicators"
		Number of Indigenous-led centres in urban and rural communities	See "Indigenous-led Centres in Urban and Rural Areas" under "Licensed Child Care Indicators"
	Number of children with additional support needs participating in child care programs	Number of children funded through Special Needs Resourcing	See "Special Needs Resourcing" under "Licensed Child Care Indicators"
	Number and proportion of children from low-income and middle class families participating in early learning and child care programs	Number and percentage of children for whom a licensed space is available by income	See "Children in Licensed Child Care by Income" under "Licensed Child Care Indicators"

\* This column lists the indicators outlined in the Canada-Ontario Early Learning and Child Care Agreement.

## HIGH QUALITY EARLY LEARNING\*\*

Principles	Indicators Related to Planned Investment*	Indicators as Reported by Ontario	Reference to the Data in the Report
High Quality	Number and percentage of providers with Early Childhood Education (ECE) certification	Qualification requirements for program staff working in child and family centres	See “Staff Qualifications” under “EarlyON Child and Family Centres Indicators”
	Number and percentage of programs adopting Ontario’s Pedagogy for the Early Years – How Does Learning Happen	Service guideline requires programming alignment with How Does Learning Happen?	See “Pedagogical Framework” under “EarlyON Child and Family Centres Indicators”
Accessible Affordable and Flexible	Number of new EarlyON Child and Family Centres (including full and part-time locations)	Number of EarlyON Child and Family programs offering full- and part-time hours	See “Access, Affordability, Flexibility and Inclusion” under “EarlyON Child and Family Centres Indicators”
	Number of child and family visits to early learning programs	Number of child and family visits to EarlyON Child and Family Centres	
	Number and percentage of children who have access to early learning programs	Number and percentage of children served by EarlyON Child and Family Centres	
	Number and percentage of early learning programs that offer flexible hours	Number and percentage of EarlyON Child and Family programs that offer programming during non-standard hours	
Inclusive	Number of early learning programs designed to serve French linguistic minority communities and Indigenous People off-reserve	Number of child and family centres that offer culturally relevant programming for Indigenous children and families	See “Access, Affordability, Flexibility and Inclusion” under “EarlyON Child and Family Centres Indicators”
		Number of child and family centres that offer French-language programming for Francophone children and families	

\* This column lists the indicators outlined in the Canada-Ontario Early Learning and Child Care Agreement.

\*\* “Early learning” under the Canada-Ontario Early Learning and Child Care Agreement refers to EarlyON Child and Family Centres in the context of Ontario.

**PROFESSIONAL LEARNING**

<b>Principles</b>	<b>Indicators Related to Planned Investment*</b>	<b>Indicators as Reported by Ontario</b>	<b>Reference to the Data in the Report</b>
ECE Qualification Upgrade Program	Number of individuals supported through the Qualifications Upgrade Program per annum	Number of individuals supported through the Qualifications Upgrade Program	See "ECE Qualification Upgrade Program" under "Professional Learning Indicators"
Innovative Service Delivery	Innovative service delivery to support professional learning	Number of Centres of Excellence established	See "Centres of Excellence for Early Years and Child Care" under "EarlyON Child and Family Centres"

\* This column lists the indicators outlined in the Canada-Ontario Early Learning and Child Care Agreement.



#### 4: Affordable for All, Making Licensed Child Care Affordable in Ontario

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*The following report from Dr. Gordon Cleveland was prepared and presented to the Government of Ontario in February 2018 with the aim of recommending the most effective strategies and policy interventions to improve the affordability of licensed child care in Ontario.*

*OMSSA and service system managers were consulted to provide input on the development of the report.*

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# AFFORDABLE FOR ALL:

**MAKING LICENSED CHILD CARE AFFORDABLE IN ONTARIO**

**Executive Summary**

February 2018

**Dr. Gordon Cleveland,**

University of Toronto Scarborough

This study seeks to answer the question “What is the best way to improve the affordability of licensed child care for infants, toddlers and preschoolers in Ontario?” It seeks to provide a comprehensive analysis of alternative funding and policy options and to recommend steps forward that can dramatically improve child care affordability for families.

After much consideration of evidence and ideas, our main recommendation is that the Government of Ontario should implement free child care for preschool-aged children (30 months to kindergarten age) as an immediate priority. As physical and staffing capacity are ramped up over the next few years, increased affordability for other ages should be phased in.

Making child care free for all children of preschool age will improve affordability for all families in the one or two years before kindergarten. As physical capacity for preschoolers is expanded, the Ministry will have to ensure that physical and staffing capacity for services to infants and toddlers expands as well.

In the near term, the Ministry of Education should continue, and fund more generously, the existing subsidy system. Restrictive regulations on activity requirements should be loosened.

When additional licensed child care capacity is available and qualified staff shortages have been reduced or eliminated, the child care subsidy system should be replaced with a sliding scale of payments - a \$50,000 to \$150,000 sliding scale - to make licensed child care affordable for children of other ages. Family income would determine the percent of full fee a family would have to pay. For children other than preschool age, families with earnings less than \$50,000 would pay nothing; and families earning over \$150,000 would pay 80% of the full fee. In between, families pay an increasing percentage as family income rises. We call this a \$50K-\$150K sliding scale.

## **Chapter 1: Introduction, Objectives and Principles**

The first chapter introduces the study by describing the objectives and providing background information about the Government of Ontario's commitments related to child care. Chapter 1 also addresses the methods used in the study and sets out the characteristics that a reform of the early learning and child care system should have.

## Chapter 2: Child Care Services in Ontario

There are over 5,300 licensed child care centres in Ontario with over 406,000 spaces for children 0-12 years. Just over 161,000 of these centre spaces are for infants, toddlers and preschoolers, often described as children 0-4 years. Nearly 106,000 of these spaces (as of March 2017) are for children of preschool age. There are also 124 licensed home child care agencies. These agencies co-ordinate and monitor nearly 7,600 family homes (3,765 currently active) that provide care for nearly 16,000 children. Nearly 76% of Ontario's licensed child care centres are not-for-profits.

Across Ontario, there are enough licensed spaces in centres and homes for infants, toddlers and preschoolers to accommodate about 23% of all children 0-4 years of age, inclusive. In Toronto and Central Region, there is space for about 26%-27% of 0-4-year-olds.

Child care is the responsibility of the Ministry of Education, Early Years and Child Care Division. The role of the Ministry is to develop policy, to provide funding, and to update and enforce legislation and regulations in relation to child care and early years services. The Ministry licenses child care centre programs and home child care agencies.

Ontario is unique amongst Canada's provinces and territories in having a central role for municipalities in the planning, funding and administration of funding for licensed child care services. There are 37 Consolidated Municipal Service Managers and 10 District Social Service Administration Boards (CMSMs and DSSABs) that are the municipal service system managers for child care. Child care services are managed by CMSMs and DSSABs through a local service planning process. School boards and child and family programs are also important local partners in the planning and delivery of child care and early years services.

First Nations are an important partner in the delivery of on-reserve child care. First Nations can administer and operate child care and early years programs on reserve and many do. First Nations can also make agreements to exercise any powers of a service system manager on reserve.

In the spirit of the Truth and Reconciliation Commission and with funding from the Ministry, Indigenous-led projects are being established in communities across the province to increase spaces for the Indigenous population and to develop culturally-relevant programming off reserve under the auspices of The Journey Together: Ontario's Commitment to Reconciliation with Indigenous Peoples. On reserve, First Nations are mainly using the funding under the Journey Together program to build new early years child and family centres.

Off reserve, CMSMs and DSSABs are participating in Journey Together projects led by local Indigenous partner organizations, to provide new culturally-appropriate stand-alone child care centres accessible and accountable to the local Indigenous population, to develop both child care centre and home child care services that are accessible to both on and off reserve children, to extend culturally-sensitive services to all residents off reserve as well as collaborating on professional development and training both on and off reserve. In recognition of the unaffordable cost of child care in urban centres across the Province, several communities are planning to establish Indigenous-focused centres with base funding so that the Indigenous population can afford to attend.

Governments in Ontario spent over \$1.3 billion on child care and early years services in 2015. Allocations are provided to CMSMs and DSSABs through the Child Care Funding Formula which is designed to provide an equitable funding allocation for municipal child care service managers across the province.

The primary source of funding for child care services is parent fees. Child care fees vary by region and by child's age. For child care centres, the regional median infant fee varies from \$51.00 per day in the North to \$85.00 per day in Toronto. For toddlers, the range is from \$42.00 to \$66.00. For preschoolers, the range is from \$38.00 to \$52.00 per day.

The main government funding policy that affects the affordability of licensed child care services is the Ontario child care subsidy system. There are income and activity requirements to be eligible for child care subsidy; even then, subsidies may not be available if annual funding has been exhausted. Families earning less than \$20,000 may be able to get a full subsidy, and families earning between \$20,000 and \$40,000 will pay 10% of income above \$20,000. Families earning over \$40,000 will pay \$2,000 plus 30% of their income that is over \$40,000. In general, parents need to be employed or seeking employment, or in training or education, to be eligible for child care subsidy, although there are exceptions according to child or family need. Most families earning above \$100,000 per year are not eligible for financial assistance through the Ontario subsidy system under its current rules.

There are over 111,000 children 0-12 years of age who receive child care subsidies for centre-based care in Ontario. About 40% of infants who are using licensed centre care receive a subsidy, about 34% of toddlers and about 31% of the preschool-aged children who are in centres. There are nearly 260,000 children 0-12 years using licensed centre care who do not receive child care subsidy. The total number of subsidies in family home child care in Ontario in 2017 was nearly 12,000.

## Chapter 3: Municipal Issues and Feedback

Municipal representatives told us that the prime challenges to the viability and stability of centres are wages, staff recruitment and retention. The expansion of full-day kindergarten has attracted many qualified child care staff where wages, benefits, and working conditions are generally better than in child care centres. This has made recruitment and retention issues in the child care sector more acute.

Across Ontario, home child care is 4%-6% of all licensed care. Municipalities are pleased with a recent supplement of \$20 per day to home providers, however, there are still serious challenges in the recruitment of adequate numbers of home providers.

Affordability is the main barrier to access for parents. There are a number of other accessibility issues identified by municipalities: rural access and transportation, part-time opportunities, care for children with special needs, and care during non-traditional hours such as evenings, weekends and overnight. A further issue of accessibility is lack of parental awareness of child care subsidy funding. Public education about available funding is an important priority. Journey Together funding on First Nations reserves is mainly being used to establish new child and family centres. Accessibility to services that provide culturally-appropriate programming for the off-reserve Indigenous population is so far extremely limited, despite the fact that the large majority of Indigenous families live off-reserve.

CMSMs and DSSABs have grown into the role as caretakers of quality. Most of them have hired quality assurance coordinators, are working in the community to improve quality in their programs, introducing significantly more professional development opportunities as well as mentoring programs. About half of all CMSMs and DSSABs are using a quality measurement tool.

Municipalities were almost unanimous in suggesting that the income test for child care subsidy be made more generous. Most CMSMs and DSSABs support the provincial thresholds for for-profit funding but there needs to be some recognition that this will be more difficult to implement in areas with very high levels of for-profit operators.

The most persistent irritant between schools and municipalities concerns the “rental” or “cost recovery” rate for space in schools. In too many cases, these charges are prohibitively high, which violates the spirit of the Schools First directives. A consistent policy that allows child care to flourish in schools should be adopted.

CMSMs and DSSABs have embraced the challenge posed by the Ministry to work on expansion and are putting considerable effort into achieving their targets, often with limited staff, short timelines and absence of planning resources. The priorities to increase accessibility, expand access to fee subsidy, and

work on affordability are being achieved by reducing the subsidy lists, expanding capacity through capital expansion, Journey Together and collaboration with school boards . Other initiatives include attempts to expand home child care, access to non-traditional hours, rural programs and infant programs. Some CMSMs and DSSABs are assisting affordability by using general operating grants to prevent or reduce fee increases.

The major barrier to expansion of centre-based care is the shortage of Registered Early Childhood Educators occasioned by low wages and lack of interest in the occupation by potential professionals because of those low wages.

## **Chapter 4: Why Public Funding of Child Care Makes Sense**

Increased public funding for child care affordability has widespread support in Ontario, partly because affordable child care will help parents balance the demands of work and family life.

Affordability of child care is particularly important to mothers as child care responsibilities are often a barrier to employment and equal treatment for women.

The net cost of government child care assistance is substantially lower than its gross cost, because increases in parental employment cause increases in tax revenue and reductions in social assistance and other benefits. There may also be increased growth and productivity, multiplying the revenue effects.

The years from birth to age five are crucial ones for children's development. There is substantial and widespread evidence that early childhood education and care can be positive for children's cognitive and language development, completed education levels, employment and wages, as well as making them happy in the short run.

There is also substantial and widespread evidence that the effects of early childhood education and care are not uniform, but are heterogeneous. Policy needs to be directed towards making positive effects as strong as possible. In particular, children from lower-income backgrounds are likely to have stronger positive effects, if they are not excluded from access and quality services. Multiple dimensions of quality are key factors in child care's effects on children.



## Chapter 5: The Affordability Problem

Child care fees in Ontario range from about \$9,000 to over \$20,000 per child per year for children 0-4 years. There is substantial regional and age variation in fees, but they are high everywhere relative to incomes, and have been rising faster than inflation.

For families that have at least one child 0-6 years and want to access licensed child care, we find the average family in Ontario would have to spend 20.8% of after-tax family income on child care or nearly 60% of the net income contribution of the main caregiving parent when employed. For families with at least one child 0-4 years, the average family would have to spend nearly one-quarter (23.5%) of after-tax family income on child care or just over two-thirds (67%) of the net income contribution of the main caregiving parent.

We consider licensed child care to be “affordable” if a family can access it for their 0-6 year-old children for less than 10% of after-tax, after-benefit family income. If licensed child care costs 10% to 19.99% of net family income, we call it “unaffordable”. If purchasing licensed child care costs 20% or more of total family income after taxes and benefits, licensed child care is “completely unaffordable” for that family.

For the Caregiving Parent Affordability Measure, licensed child care is “affordable” if a family can access it for their 0-6 year-old children for less than 30% of the after-tax, after-benefit earnings contribution that the main caregiving parent would make to family income if employed (i.e., less than 30% of her net contribution). If licensed child care costs 30% to 59.99% of her net contribution, we will call it “unaffordable”. If purchasing licensed child care costs 60% or more of her earnings contribution after taxes and benefits, licensed child care is “completely unaffordable” for that family. The affordability of licensed child care is closely related to child care and employment behaviour.

Using two different measures, we find that fewer than 22% of Ontario families find licensed child care to be affordable – 19% by one measure and 21.8% by the other. Affordability matters for family decisions. For families that find child care affordable, there is over 63% probability of using licensed child care and over 80% probability that the main caregiving parent is employed; for families that find child care unaffordable or completely unaffordable, the probability of being employed and using licensed child care are much lower.

Affordability is strongly related to family income, despite the efforts of the subsidy system to make licensed child care affordable for low-income families. This table shows the current situation in Ontario, taking existing funding into account.

**Affordability by Family Income Level**  
**When Using Licensed Child Care for Children 0-6 Years of Age**

<b>Expected Annual Income of the Household</b>	<b>Net Child Care Costs as % of After-Tax After-Benefit Family Income</b>	<b>Net Child Care Costs as % of After-Tax After-Benefit Income Contribution of the Main Caregiving Parent</b>
<b>Less than \$50,000</b>	30.8%	61.7%
<b>\$50,000 - \$99,999</b>	21.2%	69.5%
<b>\$100,000 and more</b>	12.7%	44.2%
<b>Total</b>	20.8%	58.1%

With current policies and levels of affordability in Ontario, about 8% of infants use licensed child care services, about 30% of toddlers and about 37% of children of preschool age. Considering only families with employed mothers, over 12% of infants, over 42% of toddlers and 50% of preschool-aged children currently use licensed child care.

Many families combine parental care of children with employment of all parents in the household. Parents may arrange their work shifts so that this is possible (off-shifting). In these cases, the main caregiving parent will often work part-time or be self-employed in the household. There is evidence that these care decisions are strongly affected by the unaffordability of paid child care.

The unaffordability of child care affects many aspects of women’s employment, hours, and pay.

Across the system, parents pay between 50%-63% of the total cost of licensed child care services in Ontario. Governments pay the rest.

## **Chapter 6: Different Funding Approaches (The Theory)**

The objectives of a funding program for child care are multiple and complex. A child care system must be affordable, accessible and offer services and experiences of good quality. Funding should permit and promote parental employment. It should make available convenient and accessible services with hours and location that correspond to needs. The quality of early childhood education and care (ECEC)

provided to children is always a central issue, because we believe that the quality of care is directly and substantially related to the effects of ECEC on children's multi-faceted development in the early years.

Quality is not easy to describe or measure, but it can be seen in curriculum frameworks to support early childhood education and care, in staff-child ratios, group sizes, training levels of early childhood educators, in the quality of the leadership and mentorship provided by senior staff, in the interactions between parents and educators and in many more ways. Quality is reflected in the resources available to educators, in the way that children from different backgrounds and with different abilities are integrated into the group, in the low rate of turnover of qualified staff.

Another dimension of government's objectives is to make sure that lower income families are particularly enabled to access quality child care services. This is important to mention for two reasons. One is that the benefits to both children and parents in lower income families can be especially large. The second reason is that lower income families are sometimes less likely than other families to be first in line when enhanced child care funding arrangements become available. Families from higher-income families should also receive their fair share of financial assistance to access good quality child care. Nearly all families have difficulty affording child care.

The discussion about supply-side vs demand-side funding is an important one. Should assistance go directly to parents, or should governments finance services, reducing the cost to parents? Should governments play an important role in enhancing the quality of services, or should governments rely on consumer choice to deal with issues of service quality?

The biggest problem with demand-side subsidies is that they provide inadequate mechanisms to ensure that parents purchase high quality care that will support children's optimal development. Since quality is the key determinant of child care's effects on children, this is a central problem.

Supply-side subsidies can be provided in a variety of ways. ECEC services can be provided directly through the public sector by various levels of government (e.g., directly-operated municipal centres) or child care services can be provided by not-for-profit providers who are rigorously monitored to encourage the maintenance of quality standards and financial reporting standards. When the services are provided by not-for-profit operators, the provision of supply-side funding for services acts to stabilize the financial position of the small organizations that are frequently the typical providers.

When services are not free, a sliding scale of fees (adjusted to family income) is often considered to be both equitable and efficient. There are two major types of sliding scale. One uses family income to

determine the percent of family income that a family should pay. The second type of sliding scale uses family income to determine the percent of the full fee that a particular family has to pay.

We seek a funding approach that improves affordability of 0-4-year-old child care for families, while giving special assistance to lower-income families and maintaining or improving quality and accessibility.

The market for child care is a mix of public and private, but there is a growing public interest in keeping fees low and quality high in order to remove barriers to parental employment and increase children's access to good services.

Governments who fund child care on the demand side seek to use market mechanisms to stimulate supply and enhance quality of services.

Supply-side funding recognizes child care as a substantially regulated market, with private (largely not-for-profit) service providers, but regulated supply, quality, staff compensation and fees.

Quebec created a network of high quality not-for-profit services called CPEs (Centres de la Petite Enfance, or Early Childhood Centres). These have had important positive effects on children's development. However, because of very substantial supply shortages in the early days of Quebec's child care reforms, Quebec's system has developed in negative ways. This provides a crucial reminder that problems of phase-in and transition are at least as important as initial funding policy plans.

The Child Care Expense Deduction is a measure originally designed to provide fairer taxation of employed mothers: it shelters from taxation the part of income that pays for a legitimate work expense. Taxation of mothers would be unfair without it.

## **Chapter 7: What Other Jurisdictions Do**

This chapter describes and analyzes funding methods and policies in other jurisdictions, highlighting positive and negative examples of interest to Ontario. The chapter discusses funding arrangements in England, Australia, New Zealand, Denmark, Norway, Sweden, Quebec, Prince Edward Island, and Manitoba.

Early years education and child care are treated separately in England. The new sliding scale in Australia is generous and has an activity requirement. New Zealand uses supply-side measures as the base of its funding of early childhood education. Denmark and Norway have very effective supply-side funding with strong municipal involvement. Sweden has a sliding scale in which the first child costs 3% of family

income. There are important lessons to learn from Quebec about how funding and policy plans can go awry. There are significant examples of policy and workforce innovations in Prince Edward Island and Manitoba.

## England

England's early childhood services are systematically divided into education, on the one hand, and care, on the other. Education services for children younger than compulsory school age are largely in the public sector and often in schools. They mostly serve children 3 to 5 years of age. The central government provides funding to local authorities (i.e., municipalities) to ensure that every 3 and 4-year-old has access to a part-time nursery education.

In England, child care services are largely in the private sector, with the lion's share being for-profit services and a smaller share being not-for-profit. Child care services are viewed as being a support for parental employment, not as education, and are typically quite expensive.

## Australia

Australia has a sliding scale of child care fees where families earning less than about Can\$65,000 get 85% of costs covered, falling to 50% at about Can\$170,000. Beyond Can\$350,000 there is no child care fee assistance: assistance for fees is capped at Can\$11.55 per hour, higher than most current fees. There are activity requirements to be eligible for this fee assistance. Low-income families who do not meet the activity requirements are eligible for 12 hours per week child care for each child.

Median full-time fees in Australia for children 0-5 are about Can\$20,000 annually. Increased generosity of funding over the years has lowered the fees that parents have to pay, but only temporarily – the general trend is up.

## New Zealand

There are a number of different types of ECEC services in New Zealand. The predominant type of teacher-led service is centre-based ECEC, which children can attend either part-time or full-time and which caters for children from birth to school age. In New Zealand, children can choose to start school any time after their fifth birthday and must start school by the time of their sixth birthday.

Most child care funding in New Zealand is provided on the supply side in order to keep parent fees low. There is also 20 hours of "free" ECEC provided to all 3- and 4-year-old children. All supply-side funding is provided through the Ministry of Education according to formulas based on cost-drivers.

## Denmark

Most child care funding in Denmark is supply-side funding, provided by municipalities to child care providers. Local authorities are required to ensure that there is a child care place for every child over 26 weeks of age whose parents want one (within 4 weeks of turning 26 weeks). The central government provides block grants to local municipalities and local governments raise tax money as well to fulfill these obligations.

Most child care funding in Denmark is designed to keep parent fees relatively low. Parent fees are set annually by municipalities, and municipalities are required to fund child care providers so that parents pay no more than 25% of the actual cost of the service. There are also discounts for siblings.

## Norway

There are three types of child care (known as kindergartens) in Norway. Ordinary kindergartens (barnehager) can be public or private. They offer half-day or full-day service all year round for children between 0 and 5 years of age. Family kindergartens (familiebarnehager) are based in private homes, where an assistant works with a maximum of five children, supervised and mentored by a qualified kindergarten teacher on a weekly basis. Open kindergartens (åpne barnehager) are part-time drop-in centres with programs for parents and children to participate in together, led by a qualified kindergarten teacher.

Obtaining a place in kindergarten is a statutory right for every child, but participation in ECEC is voluntary. About 50% of the centres in Norway are municipally owned and operated; the other 50% are run by private operators, most of them not-for-profit.

Most child care funding in Norway is supply-side operating funding. The government imposes a statutory fee cap on the parental fee for centre-based or family child care (NOK 2,655 per month in 2016 or about Can\$418 per month or Can\$4,600 per 11-month year). This means that parents cover about 15% of the cost of ECEC through parent fees. The bulk of the operating costs of ECEC are covered by government funding, that is about 85% of operating costs. About 90% of children 1-5 years of age attend child care.

A new plan provides 20 hours of free child care per week to 3-, 4- and 5-year-old children from families earning less than about Can\$66,000 annually. Parents have to engage in some activity (e.g., Norwegian language courses) in order to be eligible.

## Sweden

Sweden has an integrated and largely universal child care system for children younger than school age, considered as a part of the education system (but voluntary). It is designed to support employment and study activities as well as providing play-based education for children at low or zero cost to parents.

The main type of child care in Sweden is centre-based preschool or förskola. Preschool is also available as home child care. Preschool serves children 1-5 years of age (children younger than one year of age are nearly all cared for by parents receiving relatively generous parental payments). Preschool is intended to be safe, fun and instructive, and it promotes a philosophy of the equality of all individuals, particularly of girls and boys. Municipalities are responsible for ensuring that children who want to attend are provided a place in preschool – within four months of the request. Most of the preschools (81%) are municipally owned and operated. About 19% of centres are independently operated – run by parents, staff or as a business.

Central government defines goals and objectives of child care, such as the national curriculum. Municipalities play the main role in implementing policy, planning and delivering ECEC services. Municipalities also determine working conditions and pay of child care staff locally. Municipalities receive annual quality reports and pedagogical documentation from child care services

In Sweden, the parent fee depends on parental income in a scheme known as Maxtaxa. Under this scheme, parents are charged no more than 3% of household income for one child in preschool/child care up to a maximum monthly household income. The maximum a family could have to pay per month for one child in preschool is approximately Can\$209 per month. For the second child, the maximum charge is another 2% of household income, and another 1% for the third.

## Quebec

Quebec has a network of Early Childhood Centres and family homes that were the original heart of their system of reduced-fee child care services. The base rate for this child care is now \$7.75 per day for families earning less than about \$50,000. For other families, there is a sliding scale of payments rising to \$21.20 per day at about \$160,000 and above.

For families not using reduced-fee child care in Quebec, there is a tax credit for child care expenses – a different sliding scale of payments. Families earning less than about \$35,000 will be reimbursed through the tax system for 75% of the full fee; families earning more will be reimbursed less; and families



earning above about \$155,000 will be reimbursed 26% of the full fee. This funding compensates parents using informal unlicensed care, as well as other types of care.

## Prince Edward Island

Recently, Prince Edward Island has reorganized existing licensed child care programs into a publicly-managed network of Early Years Centres and Infant Homes in which fees are regulated, wages are based on a common salary scale, and there is sector planning, professional development and management support.

## Manitoba

Manitoba has pioneered many innovations in management of a child care system. Manitoba provides base funding to services willing to become a funded facility. Funded facilities are not-for-profit centres and family homes that are willing to cap fees. Two-thirds of staff are required to have an ECE diploma, however, there are important problems recruiting sufficient staff.

## Chapter 8: Different Funding Approaches – The Evidence

Which funding model would be best for Ontario? We consider several alternatives:

1. A generous sliding scale of child care fees, where all families with earnings less than \$40,000 pay nothing, all families with incomes above \$240,000 pay 80% of the full cost of the child care they use and, in between, families pay an increasing percentage of the full fee as their income is higher. We call this a \$40K-\$240K sliding scale.
2. Free licensed child care for preschool children between 2½ years of age and kindergarten. For other ages, fees are charged based on family income. For children other than preschool age, families with earnings less than \$50,000 will pay nothing; and families earning over \$150,000 will pay 80% of the full fee. In between, families pay an increasing percentage as family income rises. We call this a \$50K-\$150K sliding scale.
3. The maximum fee for child care is capped at \$20 per day per child . The existing Ontario subsidy system provides financial assistance to lower-income families that cannot afford \$20 per day.
4. Kevin Milligan has recently recommended adopting a tax credit for child care expenses similar to one of the types of funding that is currently available in Quebec. We model a version of his idea, with families having to pay from 25% of the full-fee at low incomes to 74% at high levels of income.

We use two different approaches to assess these policy options. One calculates the returns to employment for a parent that uses licensed child care at different levels of income. We draw charts that show how the returns to employment, after child care costs, are affected at different levels of earnings by the four policy options above, in comparison to the current subsidy system. A policy that gives higher returns to employment after child care costs is one that lowers child care cost barriers for parents.

## Returns to Employment – Lone Parent Families

We look at two sample families. One is a lone parent family with a toddler, facing full child care fees of \$17,000 annually. The second is a two-parent family in which one spouse is employed earning \$40,000. They have two children – 2 and 3 years of age – and full child care fees would be \$30,000 annually.

The existing Ontario subsidy system is important in lowering the barriers to employment for lone parent families able to access subsidies; however, this financial assistance disappears above about \$85,000. For lone parent families, either of the sliding scales we are considering - \$40K-\$240K or \$50K-\$150K combined with free preschool child care - provides much stronger employment incentives than the existing subsidy system, spendable income after child care costs is equivalent (i.e., for sliding scales vs. subsidy) at very low levels of income for lone parents, and higher at all other levels of income for both lone parent and two parent families.

The Milligan tax credit for child care expenses is negative for low-income lone parent families – they do much worse than with the subsidy system. Above about \$50,000, the tax credit improves employment returns, but not generally by as much as the sliding scale options.

The \$20 per day per child flat fee combined with a fully-funded subsidy system improves employment returns for many families compared to the current situation. However, between about \$20,000 and \$90,000, it does not boost employment returns by as much as the sliding scale funding models.

## Returns to Employment – Two-Parent Families

The results of these funding policies are broadly similar to the pattern seen for lone parent families when we consider the employment returns available to a parent in a two-parent family with two children who is considering a return to work.

When this parent enters the labour force she gains employment income. But as her earned income rises, her family will be eligible for less Canada Child Benefit, less Ontario Child Benefit, and she will have to pay income taxes, Canada Pension Plan payments and Employment Insurance payments. Her spouse will lose the value of the Spousal Credit, as a credit against his taxes. And, of course, she will face

substantial fees for licensed child care. All of this reduces the percentage of her gross earnings that contributes to an increase in spendable income for the family, and affects the employment returns from taking a paid job.

If this family faces the full child care cost, her employment returns are likely to be negative. If she cannot earn at least \$60,000 per year, there is no obvious financial reason to be employed.

The existing Ontario subsidy system will improve these returns, but for a low-earning main caregiving parent, she will still only increase the family's spendable income by 20%-30% of her gross earnings. The Ontario child care subsidy system is less helpful to this two-parent family than to a lone-parent family, largely because this family is only eligible for partial subsidy.

The tax credit performs poorly for this two-parent family – it is worse than the existing subsidy system for our two-parent family with two children unless the main caregiving parent earns \$35,000 or more. And it provides lower employment incentives than other funding policies for other levels of her gross earnings.

The \$20 per day per child policy, combined with a well-funded subsidy system, improves employment returns for a two-parent family better than other policies if her gross earnings are over \$55,000. However, for earnings below about \$40,000, this policy fares much worse than either of the sliding-scale options, and is only a modest improvement over the existing subsidy system.

Both the \$40K-\$240K sliding scale, and the provision of free child care for children of preschool age combined with a \$50K-\$150K sliding scale for children of other ages, do quite well in increasing employment incentives (reducing barriers to employment) for the main caregiving parent in a two-parent family. Free child care for preschool ages plus a sliding scale for other ages is noticeably better than the \$40K-\$240K sliding scale when the main caregiving parent's income is quite low.

Our strong conclusion is that either one of the sliding scale policy options is strongly preferred to either the \$20 flat fee or the tax credit for child care expenses. If we care particularly strongly about lower-income families, the free preschool child care plus \$50K-\$150K sliding scale gets the nod.

## Results from Child Care Demand and Employment Model

The second approach we use to assess these four child care funding options required the building of a software model using Statistics Canada data. This model resides in the Research Data Centre at the University of Toronto. The model forecasts child care and employment decisions of families across Ontario who responded to the National Household Survey of 2011. Child care and employment decisions are modeled statistically, so that variations in family and child characteristics as well as changes in parental incomes, child care fees, and child care policies can be used to predict child care and employment decisions. In addition, the model allows us to calculate the taxes a family will pay, the affordability of child care, the net child care price a family will have to pay, as well as the total governmental cost of any child care policy and the total tax revenue government will raise.

Simulations using this model confirm that licensed child care is distinctly unaffordable right now for many families. Families with young children (0-4) now have to spend over 23% of their after-tax family income to access licensed child care services. As compared to the income contribution that the main caregiving parent can make when she returns to employment, child care spending would be on average over two-thirds of her income.

The \$40K-\$240K sliding scale would transform the child care system into one that is affordable to virtually all families. Demand for all age categories of licensed child care increases dramatically in this simulation, more than doubling overall and rising to nearly six times its current level for infants. The average percent of family income that a family with children 0-4 would spend on licensed child care would now be 2.7%, and the average percent of the main caregiving parent's income contribution would be 9.5%. The gross cost to government would be \$4.5 billion. Government revenues are predicted to rise by \$1.3 billion in the near-term, including both federal and provincial revenues.

Making child care services free of charge for children from 2½-4 years of age would also have dramatic effects. This is combined with a \$50K-\$150K sliding scale for infants, toddlers and kindergarten children. Affordability is substantially improved for families in all income categories, particularly lower-income families. On average, families with children 0-4 would now pay 2.7% of after-tax family income to access licensed child care services. There are substantial increases in the demand for infant and toddler child care, and an especially large increase in the demand for preschool care in this simulation. Overall child care demand would more than double. The gross cost to government would be \$4.4 billion. Government revenues are predicted to rise by \$1.3 billion in the near-term, including both federal and provincial revenues.

Lowering the full fee to \$20 per day per child for infants, toddlers, preschoolers and kindergarten children is combined with the maintenance and expansion of the subsidy system to provide extra

assistance to low-income families. This simulation substantially improves affordability – to 3.7% of after-tax family income on average for families with children 0-4. There are substantial increases in the demand for infant and toddler care and overall demand for licensed care more than doubles. The gross cost to government would be \$3.9 billion. Government revenues are predicted to rise by \$1.1 billion in the near-term, including both federal and provincial revenues.

The final simulation would adopt a new provincial tax credit for child care expenses. We have chosen to model this with a continuation of the existing subsidy system; without this, as we have seen, the tax credit would have very negative effects for low-income families. Even so, this tax credit has effects on affordability that are notably less effective than for alternative funding policies. With this tax credit, families with children 0-4 would pay, on average, 7.8% of their after-tax family income to access licensed child care. Families with incomes below \$50,000 would pay 8.0% of net incomes, families between \$50,000 and \$100,000 would pay 7.3% of income and families at \$100,000 and above would pay out 6.0% of net family income. This pattern (i.e., higher % for low-income families) is opposite to those of other alternative policies. The gross cost to government would be \$3.2 billion. Government revenues are predicted to rise by \$0.8 billion in the near-term, including both federal and provincial revenues.

Only two of these simulations are ones that we think should be considered seriously for implementation. Both the \$40K-\$240K sliding scale and free child care for preschool children plus a \$50K-\$150K sliding scale have very positive effects on affordability and desirable distributional effects in terms of income groups and lone parent/two parent affordability.

There are, however, important problems of phase-in. There are not yet enough licensed spaces to meet all the demand that would be created. Dealing effectively with these transition issues will make it clear that the option that provides free child care for children of preschool age is the best one.

## **Chapter 9: Workforce Issues, Compensation and Costs**

It is not possible to solve child care affordability problems without considering workforce compensation. Wage and benefit payments are by far the largest component of child care costs and, for many reasons, compensation of child care staff will rise. The government needs a strategic plan to address workforce issues in order to manage rapid expansion of the sector.

A workforce strategy would include establishing target levels of education and training, the design of a salary ladder, target compensation packages, and would deal with recruitment issues.

Taking all workers in child care centres together, the median wage level in Ontario (before minimum wage rises) is between \$15 and \$20 per hour. In most parts of the province, unqualified staff receive (in

2017) a wage which is very low (\$11.40-\$15 per hour at the median – effectively \$13.40-\$15 per hour because of the \$2 Wage Enhancement Grant). Qualified staff receive between \$15 and \$20 per hour. Even supervisors' wages are not particularly high across most of the province at \$20-\$26.68 per hour at the median. Toronto is an exception, with hourly wages for unqualified and qualified program staff and supervisors being higher, at the median, than in the rest of the province. Ottawa is a partial exception, too.

If we compare hourly wages in other occupations to those in child care, we get a sense of the difficulties of recruiting additional qualified workers at current wages. Current child care wages appear to be competitive with other occupations when workers are 15-24 years of age. However, child care wages are distinctly uncompetitive with hourly wages paid to female workers who are 25-54 years of age in many occupations across the province.

Compensation levels need to rise in child care if expansion is going to be possible. In particular, compensation levels need to rise so that the staff that are recruited will be capable, well-qualified staff who will decide to stay in the sector.

We have developed a spreadsheet-based costs model for child care centres in Ontario that allows us to analyze different child care cost issues. Research has shown that wages and benefit costs can make up 80% or more of the cost of providing child care. However, it is important to see that staff costs are a bigger fraction of infant care costs, than of toddler or preschool costs. When we look at the low end of current wage ranges, it is a good generalization that the percent of staff costs is in the 80's for infants, the 70s for toddlers and the high 60s for preschoolers. The percentages are somewhat higher if overall wage levels are higher, but the principle remains. In other words, staff costs (wages and benefits of program staff and supervisor) are a considerably lower percentage of the cost of preschool child care than they are of infant child care.

We use the costs model to calculate the impact of a 10% increase in wages, a 5 percentage-point increase in benefits, and the impact of reaching a desirable target level of compensation for all child care workers. We also model the effect of having all contact staff as qualified Registered Early Childhood Educators.

This type of costs modelling has an important role to play in controlling costs, determining appropriate fees, and capping fees.

Manitoba, Prince Edward Island, and Saskatchewan have created policy models with some useful lessons – about salary grids, benefit packages, professional development, and caps on fees.

## Chapter 10: Transitions - How to Manage Growth in the Child Care System

Based on the issues raised in this chapter, together with the analysis in the rest of this report, we recommend that implementing free child care for preschool-aged children is the immediate priority to improve affordability of licensed child care in Ontario. As physical and staffing capacity are ramped up, increased affordability for other ages should be phased in.

Ontario is in a good position to take the next steps in expanding the licensed child care system and in making it much more affordable. However, expansion will not be easy; it will bring some very large challenges.

With full implementation of either one of the sliding scales modelled, the increase in the number of children 0-4 years of age using licensed care would be nearly 200,000 and for children 0-6 (not yet in school), demand would increase by at least 275,000 children. Immediately after the announcement of a new funding policy, there is likely to be a substantial shortage of capacity relative to demand, unless the government is able to find a way to phase-in affordability over time.

There are (at least) five distinct problems of transition (or phase-in) that are important to consider:

- Physical capacity in licensed centres and homes;
- Development and management of the expanded system;
- Shortages of trained qualified staff and even of unqualified staff;
- How to ration scarce spaces and/or phase-in demand; and
- Maintaining and improving quality during the transition, including the role of for-profit child care providers in the transition and after.

Even if capacity can be rolled out very quickly, there will be some capacity constraints (i.e., shortages or excess demand) over the next five years.

Municipalities will play a central role in capacity expansion, in a development role. For this, they will need extra resources and clear targets and timelines with both capital and operating funding.

The management capacity in the sector is in some cases weak. The majority of child care centres in Ontario are managed by small- to medium-sized non-profit boards of directors, usually composed of parents. Many directors of programs have little management expertise or management qualifications.

We recommend that existing centres and home child care agencies be required to apply to have the right to provide free or reduced-fee services and receive substantial public funding from government. Existing centres and home child care agencies would sign contracts agreeing on terms such as provision of services, conditions of service, and rights to inspect in exchange for payments from municipalities for services provided. In a similar situation in Prince Edward Island, centres with such contracts were designated as Early Years Centres as a mark of recognition of this new status. Ontario would have to develop a similar designation, as a signal of quality and regulation to parents.

As demand expands, operators will struggle to find enough qualified staff, or indeed enough staff at all. Compensation will have to rise in order to attract sufficient new staff. The province (and municipalities) have a strong interest in structuring higher compensation to provide incentives for continuous upgrading, apprenticeships, basic training for unqualified staff, and incentives for qualified staff to make licensed child care into a career choice.

There are a number of ways of rationing spaces when there is excess demand (e.g. by geography, age of child, income group) but rationing (i.e., allocating services in a managed way) will be easier if access to dramatically improved affordability can be phased-in. Careful management of the timing of funding reforms could help with excess demand issues.

## **Free Preschool Child Care**

In earlier chapters, we have concluded that the two sliding scale policy alternatives – a \$40K-\$240K sliding scale, or free child care for preschool children plus a \$50K-\$150K sliding scale – are better at reducing barriers to employment and improving affordability than either the flat fee (\$20 per day) or tax credit approach. The free child care for preschool children policy has a distinct advantage – it would be easier to phase in. The Government of Ontario should decide, as an immediate priority, to make preschool-aged child care free for Ontario families. Preschool-aged child care is already very popular and most families seek out good quality group experiences for their children in the year or so before kindergarten. Making child care free would help all families with child care affordability in the years immediately before kindergarten.

Starting with preschool age makes sense in other ways. There is already a large licensed capacity of child care available to serve children of this age, so shortages would be less acute than for other age groups. Because the required staff:child ratio for preschoolers is 1:8, expansion of services requires



fewer new staff than if, for instance, expansion was concentrated among children of toddler age, where the staff: child ratio is 1:5. It will take time and effort to ramp up both physical capacity and staff capacity. These efforts will bear more fruit more quickly for children of preschool age.

During the phase-in period for free preschool child care, the existing child care subsidy system would continue for children younger or older than preschool. As licensed capacity and staffing capacity increase, the Government should increase funding available for subsidy, and loosen some of the restrictive regulations on activity requirements so that more funding is available to improve affordability, particularly for infants and toddlers. When there is sufficient physical and staff capacity, a \$50K-\$150K sliding scale of funding should be implemented.

The gross cost to government of free preschool child care together with continuation of the subsidy system would be \$1.6 billion. This cost is reached only when all new preschool demand is satisfied. Government revenues are predicted to rise by about \$500 million in the near-term, including both federal and provincial revenues. As the restrictions and stigma of the subsidy system are loosened and as it becomes fully funded, more families would be helped and costs would rise. This option with a fully-funded subsidy system where financial assistance was available as a right would have gross costs to government of \$2.6 billion with additional government revenues of about \$700 million in the near-term.

Making preschool child care free will require that licensed capacity for preschool-aged children be expanded rapidly. The development and licensing of this expansion needs to be carefully managed by municipalities, so that new capacity for infants, toddlers and other ages is incorporated into newly built or renovated centres. As infant and toddler capacity is expanded, the Ministry of Education can increase funding and loosen rules on subsidy so that more families are able to afford this child care. When there is sufficient physical and staff capacity, the Government can amend legislation to provide a \$50K-\$150K sliding scale of funding as a right to parents.

It is highly problematic to rely on the for-profit sector as a major provider of services if you are seeking to build a quality service, and what is essentially a public service. The Ministry of Education has made it clear that coming expansion will be focused in the not-for-profit and public sectors. This is appropriate, but may be difficult.

The Government of Ontario, through the Ministry of Education, has invested substantially in improving legislation, regulations, institutions and funding of early learning and child care as well as child and family centres in Ontario over the last decade. Ontario, with the support of its capable municipalities, is in a good position to take the next steps in expanding the licensed child care system and in making it much more affordable.

## 5: Briefing Decks, Ontario Advisory Committee on Centres of Excellence

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The following Executive Summaries provide an overview of the purpose, goals, function and scope of the new Centres for Excellence for Early Years and Child Care, including: the Secretariat for Centres of Excellence for Early Years and Child Care; the Ontario Provincial Centre of Excellence for Early Years and Child Care; the Francophone Centre of Excellence for Early Years and Child Care; and the Indigenous Centre of Excellence for Early Years and Child Care.

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July 23, 2018

# Secretariat for Centres of Excellence for Early Years and Child Care

## Executive Summary

The Secretariat coordinates the three Ontario Centres of Excellence: Indigenous, Francophone, and Provincial. As a collective voice, or network of networks, the Secretariat functions as the mechanism for formulating and enacting inclusive goals for the professional learning of educators in Ontario who work with or on behalf of young children. This Secretariat:

- embraces the unique vision of each Centre
- generates a collective voice that is greater than the sum of its parts to advocate for and with children, families, and educators
- acts on and sustains the calls for action of the [Truth and Reconciliation Commission](#)
- acts on and sustains the principles of the [French Language Services Act](#) as articulated in the preamble to the Act
- creates a critical public conversation about the views of children, families, and educators articulated in [How Does Learning Happen](#) and [The Kindergarten Program](#)
- creates links and networks between the Centres' professional learning goals, objectives, and activities
- leverages knowledges and resources among and between Centres
- formulates, implements, and monitors the Centres' evaluations
- hosts an online portal that connects to each Centre
- recognizes and nurtures the linguistic and cultural diversity within and across each Centre
- supports transformative, sustainable professional learning.

Running independently from the Centres, the Secretariat has its own organizational governance and is run under a steering committee. In addition, a Secretariat advisory committee, coordinated by the Ministry of Education, provides advice that supports the articulated mission, vision, values principles and initiatives of the Secretariat.

The Secretariat's structure ensures that it balances regional and group-specific concerns and strengths with a cohesive vision for professional learning. This organizational structure supports visible working relationships and hones shared values, recognizing geographical, linguistic, and cultural differentiations. It also respects the Secretariat's varied regional views and shared commitment to building capacity in the province.

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Child Care* initiative

## Ontario Provincial Centre of Excellence for Early Years and Child Care

### Executive Summary

Western University and the Ontario Reggio Association (ORA) are pleased to lead the Provincial Centre of Excellence for Early Years and Child Care with invaluable support from a growing number of partners in the six ministerial regions of Ontario.

The Provincial Centre of Excellence promotes the calls to action of the Truth and Reconciliation Commission (2015) and embraces the values of Ontario's pedagogical framework *How Does Learning Happen* (2014), including the view of children as protagonists in their own lifeworlds with participatory rights and responsibilities. It recognizes children and educators as capable, resourceful co-researchers, interested in inquiring seriously into the world around them. At the core, the Centre is a *public forum for the advancement of early childhood pedagogies* in Ontario where educators, children, families, instructors, leaders, and researchers are invited to collaboratively reimagine early childhood education as spaces for democratic possibilities.

### Overview of Centre Goals and Objectives

The Centre's goals include the following:

- generate a culture of and context for dynamic pedagogies through pedagogical documentation
- improve and sustain the liveliness within early years programs
- support dynamic and holistic early years programs with long-term commitment to continuous, innovative professional learning
- foster, advance, and nurture the views of children, families, educators, and early years outlined in *How Does Learning Happen?* and *The Kindergarten Program*
- enact a commitment to truth and reconciliation with First Nations, Inuit, and Métis communities within the early years
- respond to the nuances of locally-situated communities within contexts that promote a coherent vision of early years programs for Ontario

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The Centre will reach these goals by:

- establishing and sustaining an innovative network of pedagogists that has local, regional, and provincial reach to advance public pedagogical forums that
  - respond to truth and reconciliation
  - promote innovation in pedagogical approaches and practices
  - foster innovative pedagogies through reflective professional learning
  - build democratic and situated early years programs
- conducting ongoing documentation, assessment, and evaluation of the pedagogist network to extend knowledge about professional learning
- encouraging sector relationship building and resource development that can support policy makers and government officials in developing and sustaining sector dialogues and policy among various early years programs
- building a long-term, sustainable learning network across the early years sector
- establishing collaborative, ongoing, intelligent accountability measures
- collaborating with the Secretariat and the Indigenous and Francophone Centres

## Pedagogists

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The Centre is premised in an emergent design-process that welcomes the multiplicities of which children and educators are capable and is expressed through the unique structure of a province-wide pedagogist network giving shape to an ecology of relations.

Pedagogists accompany, care for and about, and bring learning to life alongside children and early childhood educators. They are situated within the ongoingness of their communities across the province (see Figure 1). The Centre will leverage the roles of individuals in community organizations and postsecondary institutions already responsible for professional learning to become Ontario's pedagogists.

Pedagogists do not train educators.

Using *How Does Learning Happen*

(2014) and, where appropriate, *The Kindergarten Program* (2016), they foster democracy, social justice, and a culture of research, while supporting pedagogies at a community level. Through deep engagement with pedagogical documentation, pedagogists both promote innovation through the provision of learning initiatives within early years programs and connect the everyday pedagogical projects of individual programs with the social and cultural issues that are posed within communities.

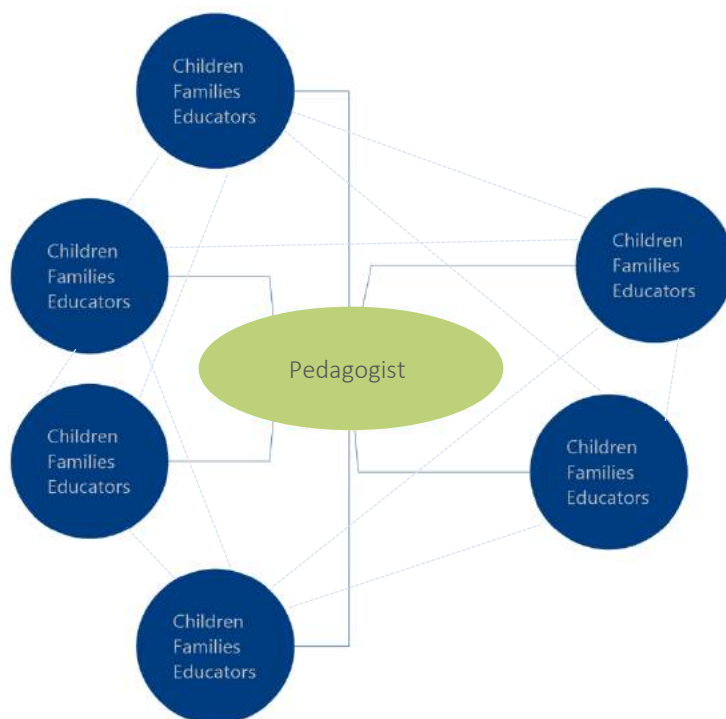


Figure 1. A pedagogist's relations in a community

## **Executive Summary:**

### Francophone Centre of Excellence for Early Years and Child Care

Collège Boréal and the Association francophone à l'éducation des services à l'enfance de l'Ontario (AFÉSEO) are proud to co-direct the Francophone Centre of Excellence for Early Years and Child Care, one of three new Centres of Excellence in Ontario financed under the Canada-Ontario Early Learning and Child Care Agreement.

Like the Provincial and Indigenous Centres of Excellence for Early Years and Child Care, the Francophone Centre will establish innovative professional learning networks dedicated to educators, educational institutions, and employers from the early years and child care sector.

The Francophone Centre is a virtual hub of pedagogical facilitators, pedagogical leaders, andragogical leaders, and professional resources intended to sustain the development of professionalism and early years pedagogy in Ontario. Aligned with the early years sector's vision and values, the three Centres of Excellence are founded on a collaborative approach that promotes critical thinking, co-learning, co-enquiries, and ongoing evaluation of intervention strategies.

The mandate of the Francophone Centre of Excellence (the Centre) is to offer province-wide support and professional learning to support programs that will be adapted to the francophone culture to enable the delivery of high-quality French-language early learning and child care programs, following the principles of *How Does Learning Happen?* and the principles of «aménagement linguistique» for early years.

The Centre envisions a support that allows not only for the development of francophone pedagogical and andragogical leaders, but also for the establishment of mechanisms to create a multiplier effect of best practices by applying learning organization theoretical principles, while supporting francophone early years programs in integrating the principles of «*l'aménagement linguistique*» in their practice.

### **Pedagogical Facilitators**

Pedagogical facilitators work with early years professionals, pedagogical leaders, and andragogical leaders within their communities to support these individuals in developing as leaders in their workplace, community, or region. Pedagogical facilitators support the transformation of pedagogical practices within the various early learning environments in the province and collaborate with educators to implement high-quality French-language programs that invite parental and community engagement.

### **Pedagogical Leaders**

Pedagogical leaders are professionals who work directly with children every day. They strive to deepen their understanding of evidence-based pedagogical approaches and the values and beliefs that support them, and they are motivated to transform their practices and influence transformation within their organization.

### **Andragogical Leaders**

Andragogical leaders are professionals who play a role in supervising human resources, particularly pedagogical leaders. They co-learn with pedagogical leaders in an effort to facilitate and support a visionary transformation of their practice within their organization.

## Overview of the Francophone Centre of Excellence's Goals

The Centre relies on a learning organisation approach within a constantly evolving sector in order to:

- support the implementation of high-quality French-language early years programs and services
- promote professional and organizational learning strategies that are based on values and beliefs outlined in *How Does Learning Happen?*
- support sustainable development and build pedagogical leadership capacity within the early years sector
- support the transformation of the early years sector
- promote the role of early years professionals in the transmission of language and culture.

To reach these goals, the Centre commits to the following:

- support the development of a network of pedagogical facilitators, pedagogical leaders, and andragogical leaders who are spread out over the six regions of the Ministry of Education to:
  - build pedagogical leadership capacity at community, regional, and provincial levels
  - align practice with values, beliefs, and pedagogical principles outlined in *How Does Learning Happen?*
  - promote coherent pedagogical approaches and practices
  - foster collaboration and collective innovation within the early years sector
  - support a long-term vision for high-quality French-language early years programs and services
- support professional learning opportunities that are:
  - facilitated by pedagogical leaders through a communities of practice approach and supports reflective practices and collaborative enquiries
  - based on the early years legal framework, including implementation of the pedagogical principles that are found in *How Does Learning Happen?*, the College of Early Childhood Educators' *Code of Ethics and Standards of Practice*, and the principles of early years «aménagement linguistique»
- find, develop, and share tools and resources supporting the implementation of the Centre's programs and services
- document, analyze, and evaluate the efficiency of the pedagogical facilitators', pedagogical leaders', and andragogical leaders' network
- Engage in pedagogical, andragogical, and identity-building action research
- develop and carry out a progressive assessment process based on action research principles related to planning, implementation, evaluation, and work plan realignment of the Centre's various services and programs
- disseminate, among all three Centres of Excellence, all resources and evidence compiled by the Centre while guiding pedagogical leaders
- work in close collaboration with representatives from the Ministry of Education, the Secretariat, the Provincial Centre of Excellence, and the Indigenous Centre of Excellence.

From this perspective, the Centre relies on intentional intervention strategies to carry out its activities in ways that promote and support democracy, social justice, and a research culture within the early years sector by developing professional and organizational relationships founded on trust, respect, integrity, and collaboration.



# Francophone Centre of Excellence

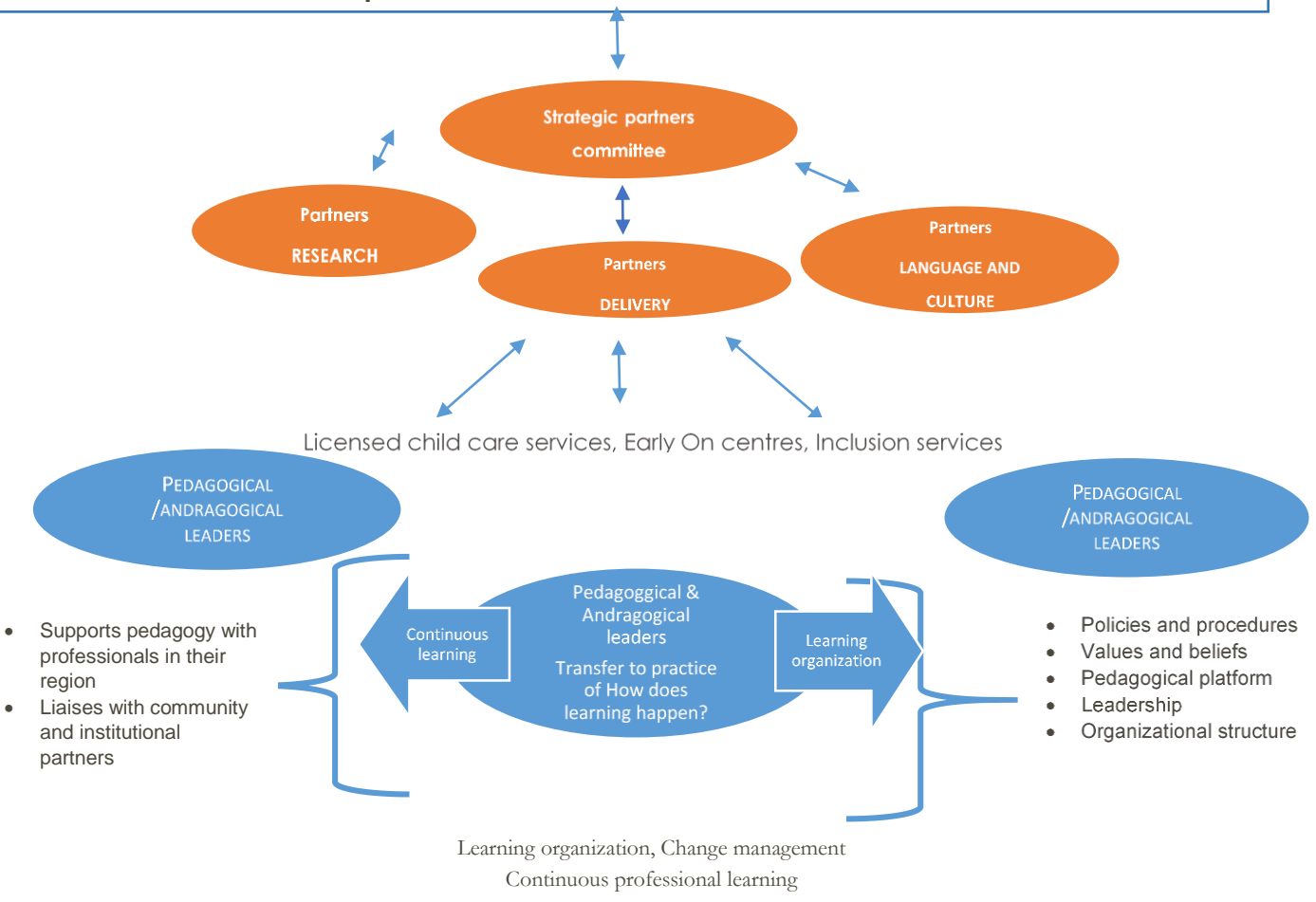


Chart from the College of ECE's  
Web site outlining possible



July 20, 2018



# Ontario Indigenous Centre of Excellence for Early Years and Child Care

## Executive Summary

The Ontario Aboriginal Head Start Association and Kenjgewin Teg are the co-leads for the Ontario Indigenous Centre of Excellence.

The Ontario Indigenous Centre of Excellence has a mandate to provide professional learning supports across the province through streams in all Ministry regions to support culturally relevant programming and the delivery of high-quality Indigenous child care and early years programs in the broad spectrum of Indigenous communities and organizations on and off-reserve, including First Nations, Metis and Inuit.

The Ontario Indigenous Centre of Excellence promotes Indigenous pedagogy and the inherent right of Indigenous children and families to have culturally relevant early years and child care programs that respect the diverse cultures of Indigenous (First Nation, Métis and Inuit) peoples in Ontario and aligns with the Truth and Reconciliation Commission of Canada; Calls to Action 2015. Indigenous knowledge, ways of knowing and being and connection to all of creation is the foundation for educators, children and families to be in relationship together in a safe environment that contributes to Indigenous identity formation.

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A Canada-Ontario  
*Early Learning and  
Care Initiative*

The Ontario Indigenous Centre of Excellence embraces the values of *How Does Learning Happen? Ontario's Pedagogy for the Early Years* (2014). We believe that each child carries their own gifts, that they are strong, resilient and capable; they have the right to explore, test, inquire and learn on the land and to be in relationship with the land alongside their educators.

## Overview of the Indigenous Centre's Goals and Objectives with *How Does Learning Happen? Ontario's Pedagogy for the Early Years* (2014)

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### Key Objectives:

- Provide opportunities for educators to critically reflect on their practice through an Indigenous lens. Educators will consider how Indigenous world-view intersects with current practice and how that view can begin to create high quality culturally safe space within the child care and early years programs
- To offer professional learning that supports culturally based early childhood education for Indigenous children across the province that reflects current research, promising practices and Indigenous ways of knowing and being
- To support safe dialogue and relationship building with non-Indigenous educators to create awareness and understanding of the history of colonization in Canada; reconciliatory practices and Indigenous concepts that reflect the diversity in Ontario

### The Centre will reach these goals by:

- Establishing and coordinating seven (7) Indigenous Community Educators in the six (6) regions to foster relationships across the early years sector
- Indigenous Community Educators will offer cultural contexts and concepts for consideration and Indigenous pedagogy will be the foundation for communities of practice. The role of Elder, Senator and traditional knowledge keepers, the place of ceremony and relationship with the land will be seamlessly integrated
- Being responsive to identified community learning aspirations and developing innovative culturally relevant professional learning resources in various mediums
- Committing to continuous reflection, documentation and evaluation to support vibrant learning communities
- Collaborating with the Secretariat and the Provincial and Francophone Centres of Excellence
- Honouring the critical roles of Indigenous culture and language in the restoration of well-being