



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 and DSSABs (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.¹

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 2019-20, there were **5,565** licensed child care centres, **131** licensed home child care agencies, and **8,296** approved homes offering licensed home child care.

This amounted to **462,802** 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.

In 2018-19, more than **400,000** children accessed child and family programs in 1,296 locations across Ontario, and more than **140,000** children received fee subsidies.

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%**.

¹ 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**.² Service Managers support reducing Early Years and Child Care fees in half over one year and further reduce to \$10-a-day over the longer term to improve affordability for all parents.

The child care system is primarily funded through parent fees, and supported by the **Ontario Child Care Subsidy program**. In 2019, approximately **30 percent** of children in licensed care (147,764) in Ontario received a full or partial subsidy for child care fees.³ Many of these families currently pay less than \$10-a-day for these subsidized services.

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.⁴

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.⁵

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

³ Early Years and Child Care Annual Report 2020

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

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

Why Invest in Early Years and Child Care?

It's integral to economic recovery

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 and the cost of living for all families
- leads to **better educational, employment and earnings outcomes** as these children become adults, meaning a **strong labour force and economy**
- supports Ontario's post-pandemic **economic recovery**

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**.⁶

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**.⁷

Raising Ontario's rate of women's labour force participation to that of Quebec's – where the \$7-a-day (now \$8.35⁸) child care program has made affordable child care universally available – would **add an additional \$13 billion to Canada's GDP**.⁹

There is a strong economic argument to support a national child care deal between the Governments of Canada and Ontario to promote affordability, a licensed system, quality, increased wages and capacity in the Early Years and Child Care system.



⁶ Fairholm, R., Economic Impacts of Early Learning and Care, Early Education Economic Forum, University of Toronto, 2011.

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

⁸ McGill University Family Care website: <https://www.mcgill.ca/familycare/childcare>

⁹ 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 and direct benefits will help to improve affordability for some families across Ontario, but **tax rebates and direct payments 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 across Ontario.
- ▶ **Funding to support COVID-19 recovery costs**, and full administrative funding beyond 2020, to ensure a safe reopening and long-term sustainability for the sector.
- ▶ 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.
- ▶ **Funding changes to administration and cost sharing** that have a negative impact on capacity building and put further pressure on property taxpayers and municipal budgets should never be considered.

Improving Access

The regulatory framework guiding child care fee subsidies 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 thresholds, adjusted for family size and indexed to inflation.
- ▶ The Province should also **provide increased funding to support child care providers with operating costs as they recover and reopen**, to sustain the early years and child care sector over the long term. Many operators have been forced to close or have left the sector as a result of COVID-19.
- ▶ Efforts should be made to **coordinate eligibility rules** with social assistance and community housing programs to improve human services integration.

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. The Province should also work with Ontario's service managers to promote licensed child care in Ontario and encourage unlicensed providers to join the licensed system.

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**. School board rents were suspended during the COVID-19 pandemic, and this suspension of rent should be made permanent.
- ▶ Ontario's Ministry of Education should **work with Service System Managers and school boards to coordinate on early years and child care capacity** and to ensure maximum access for before and after school programming.
- ▶ **Promote the use of Community Hubs** and, where possible, include children's services within these hubs.



Supporting 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 as part of a national child care program.
- ▶ Dedicated funding is also needed to **support compensation and retention of RECEs who served as essential workers** providing emergency child care during the peak of the pandemic. In the event emergency child care is needed in the future, ECEs should be included in any pandemic pay program.

Service System Manager Priorities in Early Years and Child Care



Inclusive Early Years and Child Care

- ▶ The Province should work to **expand access to culturally relevant and Indigenous led early years and child care** programs. Increased funding is needed in this area and the Province should maximize efforts to ensure Indigenous organizations and stakeholders are part of the policy development process.
- ▶ **Funding and support for children with special needs must be maintained and enhanced** to ensure access and participation for all children in Ontario.
- ▶ **Indigenous early years and child care programs should be delivered by Indigenous providers**, where possible.

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.
- ▶ Where possible, the provincial government and System Managers should support the non-profit sector to ensure sustainability and improve capacity within local communities.

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 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 to modernize and improve child care and early years services in Ontario.

Working Together

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 designing and implementing Ontario's new child care plan, and to work with the federal government to implement a national child care plan with universal access across Canada.

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