



August 31, 2020

The Honourable Stephen Lecce, Ontario's Minister of Education
Ministry of Education
5th Floor, 438 University Ave.
Toronto, ON
M5G 2K8

Re: Ontario's Five-Year Review of the Child Care and Early Years Act

Dear Minister Lecce,

The Ontario Municipal Social Services Association (OMSSA) is a non-profit association whose members are Ontario's Service System Managers – Consolidated Municipal Service System Managers (CMSMs) and District Social Services Administration Boards (DSSABs). In Ontario, core social services like income support, child care and early years services and community housing are planned, managed and co-funded by Service System Managers.

Service System Managers appreciate the opportunity to engage with the Ministry of Education through our Children's Services Network, Children's Services Leads table and municipal-provincial technical tables. OMSSA and its members appreciate the strong partnership between the provincial and municipal levels of government on early years and child care.

During the COVID-19 pandemic, Service System Managers acted quickly to deliver emergency child care to support front-line workers. CMSMs and DSSABs also worked closely with the Province during the recovery and reopening periods. Service System Managers and the Ministry continue to work closely to sustain the early years and child care system and enable a return to full capacity.

Ontario's *Child Care and Early Years Act* was passed in 2014. Since that time, there have been major capacity gains within the system and OMSSA supports the legislation. OMSSA looks forward to working with our provincial partners to build on system gains in recent years by expanding access to high-quality licensed spaces, increasing affordability, and ensuring parents are able to make choices in the best interests of their children.

The *Child Care and Early Years Act* recognizes the essential role of CMSMs and DSSABs as the local Service System Manager in ensuring an increasingly integrated, high-quality child care and early years system. Early years and child care services are crucial in the early stages of child development, and during the pandemic, we have seen first hand that child care is crucial to economic recovery in Ontario and Canada.



Public investment in child care has a multiplying or “ripple” effect in terms of 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 \$2.27.¹

OMSSA appreciates the increased funding for child care and resources allocated for personal protection equipment (PPE) and to assist operators with fixed costs such as rent to sustain the sector during the pandemic. OMSSA also appreciates new federal investments through the ELCC funding and Safe Restart Agreement.

Ontario has a unique model for early years and child care in Canada. Many Service System Managers have invested their own dollars into delivering child care services within their local communities. All three levels of government must work together to strengthen the child care system and ensure sustainability well into the future.

OMSSA appreciates the opportunity to provide consultation on the Province’s five-year legislative review of Ontario’s *Child Care and Early Years Act*. Following the 2018 provincial election, OMSSA shared its [priorities for Ontario’s early years and child care sector](#) with the incoming Minister of Education. Following our Children Services Summit in January 2019, OMSSA [submitted further input](#) to the Province related to the development of its new child care plan. OMSSA hosted a follow-up virtual summit focused on early years and child care issues on August 13, 2020 to gain members’ input for this submission.

The focus areas of Ontario’s new child care plan include affordability, access, quality, choice and reducing administrative and reporting burdens. As we work together to recover from the COVID-19 pandemic, OMSSA members have put forward the following input and recommendations to support the Province in the development of its new child care plan.

Partnership with the Province

OMSSA appreciates our strong working relationship with the Province. OMSSA believes multi-level partnerships (between the Province, Service System Managers, service providers and families) are key to an effective child care and early years system. The system today is strong because of the collaboration that has taken place between the Province, Service System Managers and service providers. The Five-Year CCEYA cross-sectoral table, Provincial-Municipal EYCC Technical Table and Funding Reconciliation Table have all been effective vehicles for consultation, engagement and policy development. OMSSA also appreciates the Ministry of Education participating frequently at OMSSA’s Children’s Services Network (CSN).

As the Service System Managers of the local child care and early years’ systems, OMSSA members welcome the opportunity to be engaged and leveraged at all stages of policy design and development as the Province works towards modernizing and improving child care and early

¹ Fairholm, R., *Economic Impacts of Early Learning and Care*, Early Education Economic Forum, University of Toronto, 2011.



years services in Ontario. OMSSA and its members are ready and able to work in partnership with the Province by lending our expertise and many years of experience to expand and build on the work that has been accomplished since the *Child Care and Early Years Act* was passed in 2014.

Funding, Administration and Reporting

Funding, administration and reporting requirements continue to be ongoing issues for Service System Managers. **OMSSA and its members want the Ministry of Education to reconsider previously announced changes to administrative funding and cost sharing as we recover from COVID-19 and look to sustain, reopen and expand the child care system in Ontario.** These changes, if not reconsidered, will have a significant impact on next year's municipal budgets as Service System Managers try to sustain the existing system to support Ontario's reopening and economic recovery.

Allocations and capital expansion funds should be maintained, and community-based capital funds are also needed, as further capacity is required to address growing demands for licensed child care.

Local flexibility and special consideration for the Community-Based EarlyON Child and Family Centre Capital Program (CBEP) is required in rural and remote communities that are experiencing growth where schools do not have the capacity to expand. **OMSSA and its members request an extension of the spending deadline for the Community-Based EarlyON Child and Family Centre Capital Program (CBEP) for all Service System Managers due to extenuating circumstances.**

To reduce administrative and reporting burdens in child care and early years services, **OMSSA suggests that the Province consider efforts to increase funding simplicity and flexibility, by streamlining child care and early years funding into a single envelope.** Streamlined funding and reporting is more efficient, reduces administrative waste, and saves money. Providing multi-year funding, with the ability to carry funds over into future years would enable sound long-term planning. Empowering Service System Managers with continued flexibility to allocate increased funds across program areas according to local needs would enable increased positive outcomes for people across Ontario.

OMSSA encourages the Province to move forward with automated income verification (AIV), by granting access to Canada Revenue Agency (CRA) income data to determine eligibility. The AIV should still allow Service Managers the ability to establish local rules in regions where income is not reported to the CRA.

OMSSA and its members support reducing duplication in data reporting, aligning federal and provincial reporting and ensuring the same data is being requested across programs, with consistent definitions, language, and reporting methods. **OMSSA's members would also like to see data shared back with Service System Managers to assist with local planning. OMSSA and**

its members encourage the Province to develop an Ontario-wide system for all data reporting across human services programs.

OMSSA applauds the Ministry of Municipal Affairs and Housing for their initiative to reduce the reporting burden for municipalities in all areas. OMSSA is also pleased to contribute to work being done in human services integration and social services modernization. OMSSA hopes to see Ontario's Ministries continue to advance human services integration to reduce municipal administration and reporting burdens so that more time can be spent delivering human services.

Quality

Early learning is vital to a child's development and offers an opportunity to get the best start in life. Research demonstrates that the first five years of life are the most crucial period of learning for "soft skills" such as communication, collaboration, and self-management, which are all critically important in the labour market. It is also when the foundations of math, science, language, the arts and physical activity are learned and a critical period for developing resilience, a key component of mental health and well-being.

Sustaining the current licensed child care system and continuing to invest in the expansion of licensed child care is of critical importance to Ontario's economy. **Incentives should be provided to encourage unlicensed providers to enter into the licensed system, to ensure oversight that currently does not exist.** Reducing barriers to home child care licensing requirements would create new capacity, support quality, enhance oversight and accountability for services rendered by families.

Coordinated, dedicated efforts are required to ensure new students are trained and that current Registered Early Childhood Educators (RECEs) are compensated adequately so they remain in the system. OMSSA supports working in partnership with the Province and College of ECEs towards the creation of a provincial recruitment and retention strategy to address the shortage of RECEs in Ontario. **Registered Early Childhood Educators working in licensed child care should be treated and compensated the same as educators working for school boards.**

Efforts should be made to focus on early learning and ensuring programming is inclusive and culturally sensitive. High-quality early learning and child care programming should be accessible to all children in Ontario, including those that may have special needs or disabilities.

Affordability

Ontario has among the highest average child care fees of any Canadian province. Ontario families are paying from \$750 to \$1,700 per month (per child) for child care.² Of the Canadian cities with the highest child care costs, eight of the top ten are in Ontario.

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



OMSSA strongly believes that maintaining and enhancing fee subsidies is crucial to addressing affordability in child care. Many families cannot afford the cost of child care and are forced to turn to the informal sector. The CARE tax credit will help some families with child care affordability, but capacity is also an issue, as many are unable to find a licensed space within their community.

The regulatory framework guiding child care fee subsidies under Ontario's Child Care Funding Formula has not been updated since 2005. Currently, a family's income must be under the threshold of \$20,000 to qualify to receive the full subsidy. **OMSSA would like to work with the Province in considering an increase of the threshold to match the Low-Income Measure After-Tax (LIM-AT), adjusted for family size and indexed to inflation.** [According to Statistics Canada](#), the low-income measure after tax thresholds for a family of four in 2018 was \$48,366.

OMSSA and its members support the Province of Ontario in exploring negotiations with the Federal government to improve affordability and universal access to child care in a manner consistent with each province's child care system. In Ontario, local service system management has worked well and should be maintained with sustainable funding to keep parent fees as low as possible.

Investments in child care have been proven to increase workplace participation for women who have been disproportionately impacted by the COVID-19 recession. The pandemic has also demonstrated how crucial access to affordable child care is to economic recovery in Ontario and Canada.

Access

Federal and provincial investments should be made to expand high-quality licensed child care spaces across the province, with fees that are affordable to Ontarians. Additional capital expansion funds are needed to increase access and address the growing demand for licensed child care in urban, suburban, rural and Northern communities across Ontario. Funding flexibility is key to enabling CMSMs and DSSABs to address unique local issues that pose barriers to access.

Research shows that child care is critical to reducing child poverty. Ultimately, poverty reduction strategies without child care provisions and other supports for improvements to family income have had little impact on reducing child poverty.

As a result of the Journey Together initiative, CMSMs and DSSABs, in partnership with Indigenous community organizations, have expanded access to culturally-relevant child care spaces for Indigenous families. **Indigenous program funding needs to be maintained and enhanced.**

Sustaining and maintaining special needs resourcing funding to ensure inclusive support services for children with special needs is required. More work is needed to eliminate barriers for



families with children with special needs, including further integration of services between schools and child care.

OMSSA and its members request that the Ministry take action to improve collaboration between Service System Managers and local school boards across Ontario. The actions taken should ensure surplus buildings and land are leveraged for the expansion of child care and early years services across Ontario, while encouraging children's services hubs and before and after school programs in schools.

As well, **all 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. Finally, in their capacity as Service System Managers, **local CMSMs and DSSABs should be required to jointly approve all school board plans / actions that impact local child care.**

Choice

Studies have shown parents prefer licensed child care when it is available and affordable. There must be adequate access and capacity in the licensed child care system to ensure people have true choice in early years and child care services.

A lack of affordability or capacity takes away choice from parents. There is a need for increased public awareness on the impacts of high and low-quality child care (including long-term social and economic impacts) to assist families in making informed choices around licensed or unlicensed child care.

OMSSA supports and is willing to assist the Province in creating an education campaign to promote informed decisions and the importance of licensed child care and safety. Efforts should be made to bring unlicensed providers into the licensed system, so that choice allows consideration for quality and safety.

Working with Service System Managers is crucial to ensuring that parents have choices based on local needs and circumstances. Service System Managers have built strong relationships with key partners and stakeholders, and they understand the needs in their own communities best. A one-size-fits-all approach will not accommodate the diverse needs of large and small communities across the province.

Role of Service System Managers

Municipal Service System Managers are accountable to their communities, subject to oversight of locally elected officials, and local taxpayers and residents. Local service plans address matters of



provincial interest as well municipal priorities, which are set locally and reflect engagement with all relevant community partners.

International comparative studies show that countries with well-developed child care systems (EU-Nordic countries, France, Italy, Spain, Germany, Austria, Belgium, Slovenia etc.), all include a significant role for municipalities. Municipal involvement in local services is consistent with the concept of subsidiarity – the organizing principle that matters should be handled by a competent authority that is the smallest, lowest or least centralized.

Ontario's Service System Managers are the proven leaders and experts on the child care and early years system in their communities and have the skills and expertise required to partner with and assist the Province in designing, enabling and implementing system change. Service System Managers know their communities and are best positioned to make the most efficient and effective use of resources to support local implementation of shared goals. 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.

Service System Managers' work is furthered by the strong relationships they have built with school boards, child welfare agencies and service providers in their communities. They are also no strangers to policy change, and have a strong track record of working with the provincial government to help shape implementation at the local level to meet our shared goals. **As key partners in administration, funding and delivery, Service System Managers welcome the opportunity to be engaged and leveraged at all stages of policy development as the Province works towards modernizing and improving child care and early years services in Ontario.**

OMSSA works closely with the Association of Municipalities of Ontario (AMO) and fully supports their submission on Ontario's Five-Year Review of the *Child Care and Early Years Act*.

Thank you for the opportunity to provide input on the *Child Care and Early Years Act, 2014wa*. OMSSA and its members look forward to working together to improve efficiency, access, quality and affordability in child care and early years services in communities across Ontario.

Sincerely,

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