The Association of Day Care Operators of Ontario
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January 24, 2020

Mr. Amarjot Sandhu, MPP,
Chair, Standing Committee on Finance & Economic Affairs
Room 261, Legislative Building, Queen's Park
Toronto, ON M7A 1A8

Re: Pre-budget consultation

Dear Mr. Sandhu,
Thank you for the opportunity of providing input on Ontario's forthcoming spring budget. ADCO is the industry association for Ontario's independent licensed child care centres, both commercial and not-for-profit. Our members are the owner/operators of licensed child care centres that are not run by a public sector organization such as a municipality or a school board, or a quasi-public sector organization such as a YMCA. Of the Ontario families who use licensed child care, roughly one in three rely on the services of an independent licensed child care centre.

Most of Ontario's independent licensed child care centres are small businesses, owned and operated by women. One of the things that distinguishes these child care owner/operators from municipalities, school boards and quasi-public sector agencies such as YMCAs is that child care is their core business. Another is their ability to create licensed child care spaces without burdening Ontario taxpayers with the cost of expansion.

Unfortunately, both the McGuinty and Wynne governments seemed to see these small businesses as unimportant and the enterprising women who run them as mere barriers to the expansion of institutional child care. That's what the Full-Day Kindergarten program (FDK) was all about. It also seems to be what prompted the Wynne government to enact the Child Care and Early Years Act (CCEYA), a piece of legislation that allows municipalities to limit the supply of licensed child care within their boundaries, so that parents have fewer alternatives to these institutional settings.

A recent report by the Ministry of Education reveals that some 2000 of Ontario's licensed child care centres closed between 2008 and 2018. The impact of these closures has been felt by tens of thousands of Ontario parents in recent weeks, as they struggled to find alternative care arrangements for their children when strikes by teacher unions shut down not only FDK, but also licensed child care centres and before-and-after-school programs located in public schools. For this reason alone, the Ford government should stop using taxpayer dollars to create new school-based child care spaces.

It should also do so for financial reasons. Currently, municipalities and school boards are spending up to $60,000/space to create more institutional child care. Yet, independent licensed child care owner/operators are able to create better facilities for half that amount and they don't need taxpayer dollars to do it. What they do need is assurance from the Province that it is safe for them to invest in expansion.

This assurance includes five measures that would, in and of themselves, save money for Ontario taxpayers and help provide working parents with greater choice in licensed child care.

- **Amend the Child Care and Early Years Act (CCEYA) with an eye to reducing red tape**, eliminating municipal and school board conflicts of interest that artificially limit citizens' access to licensed child care, and making it faster and easier for independent licensed centres to expand and new independent licensed centres to open.

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- **Expand the CARE tax credit so that more families qualify for it.** This is a simple and practical solution to making licensed child care more affordable for families across Ontario. The funds for doing this could be found by repurposing a portion of the child care funding the Ministry of Education currently allocates to municipalities.

- **Allow families to self-serve when applying for funding support for child care.** The Province could radically reduce the administrative overhead associated with helping families access funding support for child care by creating an online Provincial self-serve portal. The Province of Alberta has long had such a system in place. Ontario families deserve the opportunity to calculate and/or apply for the various child care funding support options available to them (CARE tax credit, fee subsidy, OCB, CCB, etc.) without having to fill out endless paperwork or consult with a municipal bureaucrat. At minimum, they deserve readily accessible information about the CARE tax credit, which to date has not been made available on the Province of Ontario web page related to funding support for child care.

- **Simplify the funding formula the Province uses when it allocates child care dollars to municipalities**, so that municipalities may only use Provincial child care dollars to purchase services for families who qualify for fee subsidy. Currently, there are 47 different interpretations of the Province's complex and convoluted funding formula for licensed child care, which means that families in need are treated very differently depending on where they live. Further, much of the Provincial funding for child care winds up being diverted into needless municipal overhead, such as municipally run quality assurance programs, rather than helping families with their child care costs. (These programs duplicate the work of the Province's own Child Care Quality Assurance and Licensing Offices.)

- **Expand the pool of potential staff deemed qualified to work in licensed child care centres.** Since the introduction of government-run FDK, the biggest barrier to the expansion of parental choice in child care is the lack of qualified staff available to work in licensed centres. Addressing this challenge is key and there are many options available for doing so. Some of these options include: the Province accrediting more private career colleges to offer ECE diploma programs; mandating the Ontario College of ECEs to offer fast, efficient credential recognition to foreign-trained early childhood professionals; making it easier for employers to participate in ECE apprenticeship programs; amending the CCEYA to allow other qualified professionals such as Child and Youth Workers and Educational Assistants to take on expanded roles in licensed centres; and changing the FDK service delivery model so it uses fewer ECEs.

As educators, Ontario's independent licensed child care owner/operators would overwhelmingly agree that Provincial spending on licensed child care is an investment rather than an expense. However, it's important that the Province be wise in its investment choices. Right now, the more than $3.2 billion the Province invests annually in school boards for government-run FDK and in municipalities for child care system management isn't yielding a sufficient return. It isn't serving nearly the number of families that it could. It is also not providing the quality and responsiveness of service that it should. And, every year it is allowed to continue in its current form, it adds to Ontario's debt burden, makes licensed child care more expensive and harder to find, and leaves children's early learning overly vulnerable to the whims of big labour.

ADCO has the expertise to help the Standing Committee on Finance and Economic Affairs solve these problems. Please contact me anytime if you desire further information.

Sincerely,

Andrea Hannen

Andrea Hannen, Executive Director