

Ontario's 2024 Child Care Funding Formula Discussion Paper for Canada-wide Early Learning Child Care

Comments submitted May 4, 2023 by the
Ad Hoc Committee of Women for Workable Childcare Action

Many of us began working towards the realization of better childcare some 50 years ago when many families could still manage on one-income. Now they cannot. The need for a publicly funded system of high quality, accessible and affordable childcare and early education was never more obvious.

With the Canada-wide agreement in place we finally have an opportunity to expand services and build a sustainable system. **We can move beyond what we have now.**

Ontario is currently in the implementation phase of its agreement. The government's Funding Formula discussion paper is an important step but there are **serious limitations and gaps**. The proposed formula risks cementing the status quo in place.

1. The Canada-Ontario Agreement commits Ontario to using federal funds to **"sustain and improve quality"**. Yet nowhere does the discussion paper ask questions about how the funding formula might support improved quality. The silence is deafening. Indeed, the proposed staffing and leadership grants only allow for funding to meet the current minimum standards.
2. The paper also ignores the elephant in the room: the staffing crisis in the childcare and early education sector. Resources are desperately needed to develop and sustain a **Childcare Workforce Strategy**. It must address both the recruitment of new workers and retention of existing staff. Many leave after just three years in the field. This will require better pay and benefits. We were shocked to hear that the YMCA, Ontario's largest non-profit provider is operating at less than half capacity in the Greater Toronto area due to staff shortages. They have the physical space. They even have waiting lists. But they are 700 staff short of even their pre-Covid levels. They have 35,000 licensed spaces but only 16,000 kids in care.
3. We support a funding proposal that takes into account the proposals of the *Ontario Coalition for Better Child Care* for **improved salary scales** starting at \$25 per hour for all staff and \$30 per hour for RECEs, as well as decent benefits and pensions, and improved work standards, including paid professional learning and sick days.
4. Staff shortages mean many programs are operating below licensed capacity. Accordingly, the funding formula must ensure **sufficient funding is available to increase enrollment when staff can be hired**. Funding based on licensed capacity or planned enrollment would support expansion within existing facilities.

5. Per capita funding must be consistent with the guidelines derived from the federal program mandate to support low-income families and public providers and non-profit private operators. This should be reflected, for example, in **a funding formula that distinguishes between profit and non-profit organizations** with respect to allowable rents. We share the *Ontario Coalition for Better Childcare*'s primary concern with profit-making schemes in which a company purchases land and leases it back to itself or an arms-length company. This requires an accountability mechanism that prevents profit making real estate schemes.
6. We urge the government to adopt a funding formula that respects Ontario's long-standing and effective system of **decentralized, local decision making**, one that recognizes municipal differences. As currently devised, the formula would interfere in the local governance of our childcare system, centralizing control over changes in the hands of the provincial government.

