

# CUPE FACTS

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## Changes in Ontario Child Care

January 2015

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The Ontario child care sector has been facing some dramatic changes including a new funding formula that could affect child care wage grants, new legislation, the introduction of full-day kindergarten, a wage enhancement for Early Childhood Educators (ECEs) and closures of several municipal child care centres.

This is all occurring amidst a national conversation about the future of child care in Canada with at least one political party including a national child care program in their platform for the 2015 federal election. Now, more than ever, we need to engage with our co-workers, parents, family, friends and community about the future of child care in Ontario and Canada. Let's rethink child care. There is a better way.

### Money for wages

The provincial government announced the details of the wage enhancement for child care workers on January 19, 2015. All eligible child care workers employed as of January 1, 2015 will receive a \$1 per hour wage enhancement. Eligible workers include Registered Early Childhood Educators, program staff, supervisors and private home day care providers. Centre-based staff must not earn more than \$26.27 to be eligible for the increase. We will distribute more information about this wage enhancement as details become available.

### Funding formula

The provincial government changed the way it funds the child care sector in 2013. Under the new funding formula, wage grants/subsidies (e.g. Wage Enhancement Grant, Direct Operating Grant) could be lowered or eliminated. Furthermore, some municipalities are receiving more money while others are receiving less. For those receiving less funding, a stabilization fund of \$346M over four years was put in place, however, this mitigation funding will come to an end in 2015 leaving some municipalities in a financial bind.

The new funding formula allocates money to Consolidated Municipal Service Managers (CMSM) and District Social Services Administration Boards (DSSAB), the bodies which distribute money to child care centres, in three segments:

- Core service delivery – includes operating grants, pay equity and subsidies
- Special purposes—small subsidies for Aboriginal, rural, or Francophone populations
- Minor capital—renovations of infrastructure

The new formula allocates funding to municipalities based on elements including child population, poverty, level of education, social assistance caseload and cost of living.

Under this new formula, there is no longer a dedicated wage subsidy allocation, which under the previous funding model covered up to \$9,533/year toward the wages and benefits of a Full-Time Equivalent ECE. This means CMSMs and DSSABs could choose to redistribute or eliminate wage grants altogether.

In the coming months we will be gathering information regarding how each of the 47 CMSMs or DSSABs are dealing with this change.

### **Child care centre closures**

Many child care centres are at risk of closure. There are many reasons why this is happening, including the historic underfunding of child care. However, a relatively new dynamic is financial pressure arising from the introduction of full-day kindergarten (FDK). Centres that formerly included 4-5 year olds have had to hire additional staff and buy new equipment in order to expand spaces for toddlers and infants.

Though the province signalled that stabilization money would be made available to community-based and municipal child care centres affected by this transition, the funding has been inadequate. Today, many centres are struggling to remain open, challenged to provide care for toddlers and infants, which costs more than for 4 and 5 year olds.

Municipal child care centres are particularly at risk of closure especially in locations that are receiving less money under the new funding formula. City councils in Sault Ste Marie and Thunder Bay are considering closing municipal child care centres, and the City of Sudbury, Chatham-Kent and Lambton County already voted to close theirs. This is in addition to other closures that have occurred across the province in recent years, including Windsor, Peel and Kingston. These centres provide leadership and innovation in child care, and often support

hard-to-serve and higher needs populations. Municipal child care often meets specific needs identified by communities such as after hours or special needs care. We need to ensure all our municipal and non-profit child care centres remain open and are adequately funded.

### **Corporate 'big box' child care**

The experience of corporate child care in Australia and the UK shows that when corporations dominate, parent fees soar and governments make hefty payouts to support shareholders' profits. The for-profit child care sector represented 24% of licensed centre-based spaces in Ontario in 2012-13. We need to ensure that our elected leaders invest in public and non-profit child care.

### **Changes to child care legislation**

Bill 10, the *Child Care Modernization Act*, passed third reading in December 2014, and gave child care legislation an extensive overhaul. The legislation increased oversight and regulation of unlicensed home daycares by increasing penalty amounts for infractions and offences and giving the province the ability to immediately shut down operators when a child's safety is at risk. It also increased the number of children a licensed home-based child care provider can care for from five to six and modified the *Education Act* to ensure school boards offer before and after school programs for 6 to 12 year olds where there is sufficient demand.

While these legislative changes were welcomed, CUPE Ontario was clear in its brief and presentation to the committee that increased restrictions and standards for unlicensed daycare is not a substitute for a comprehensive, quality and accessible child care system.

It's likely this new legislation will be followed by revised regulations. It will be important for CUPE members to ensure these regulations ensure quality child care.

### What you can do

Given all these changes in Ontario's child care sector, it's more important than ever to work toward a universal, accessible, high quality and publicly-funded child care system. Take action for child care today:

- Organize a Kitchen Table Conversation in your local, with your friends, family or community to discuss child care. Find out more information at [www.rethinkchildcare.ca](http://www.rethinkchildcare.ca).
- Reach out to child care advocacy organizations in your area (Ontario Coalition for Better Child Care, parents advocacy groups). There may be an opportunity to co-ordinate.
- Meet with or call your elected representatives about child care:
  - **Federal:** let them know that you want to see a national universal child care program in all party platforms for the upcoming federal election.
  - **Provincial:** ask them to contribute more stabilization funding to the sector to ensure municipal and non-profit child care centres stay open. Ask them or her to commit to maintaining wage grants, which are an important source of income for low-waged and female-dominated Early Childhood Educators.
  - **Municipal:** ask them to commit to keeping municipal child care centres open and maintaining the current distribution of wage grants to Early Childhood Educators.