

# Ontario budget cuts put 760 affordable child-care spaces at risk in Toronto, city staff say <sup>[1]</sup>

**Author:** Pagliaro, Jennifer

**Source:** The Star

**Format:** Article

**Publication Date:** 7 Oct 2019

## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPT

Toronto is now facing a \$15 million gap to fund affordable child-care spaces in the wake of provincial budget cuts, a new report says, what advocates are calling a “reckless” and “thoughtless” move by Premier Doug Ford.

If city council can't find the money to fill the gap left by Ford's government, city staff now say, it could mean a loss of 760 subsidized spaces in 2020 — which would “result in a return to pre-2018 levels” of available subsidies.

There are currently more than 17,000 children on the waiting list for subsidized child-care in Toronto.

Ford's government heralded the report Tuesday, saying it is proof their child-care plan is working because the province is still creating new child-care spaces and offering a tax credit for parents.

The staff report was published Tuesday morning ahead of an economic and community development meeting next week.

The gap is the result of the province downloading 20 per cent of subsidy costs onto the city, moving from funding 100 per cent of child-care expansion to 80 per cent, meaning the city would receive \$59.9 million in 2020 compared to the \$74.9 million expected.

It will ultimately be up to council at budget time to decide whether to make up the difference or see expansion of affordable child-care dwindle.

“Toronto already has the most expensive child-care program in the country,” said Councillor Joe Cressy (Ward 10 Spadina—Fort York) in response to the financial analysis in the staff report.

“With Doug Ford's latest cuts, he's making it worse. If you're planning to have a kid, you better think twice unless Doug Ford reverses these cuts because you won't be able to pay for it.”

The Toronto Coalition for Better Child Care's Jane Mercer called the cuts “devastating” for Toronto families and that even if council finds a way to fill the gap, child-care expansion will suffer.

“If they have to find that \$15 million from somewhere, then we're not going to see the growth we needed in child-care, we're not going to see salaries come up,” she said. “And parent fees will skyrocket again.”

Carolyn Ferns, with the Ontario Coalition for Better Child Care, said a waiting list of 17,000 kids means parents may never get the affordable child-care they need and find themselves deeper in a financial hole.

“Our office hears from parents all the time who get on a wait-list to get a space, they try to get on a wait-list to get a subsidy as soon as they find out their pregnant,” she said. “I know families who only heard they got a subsidy when their child was already in school-aged child-care.”

According to city data reported during the 2019 budget, the 30,700 subsidies currently available support 33 per cent of the city's low-income kids aged 12 and under.

City staff told the Star that wait times vary depending on availability of spaces in a centre, requested start dates and the age of the child, while noting “many families who applied in June are now receiving a fee subsidy.”

Beyond the subsidies, city staff also say that council must commit to paying the operating costs of dozens of new child-care centre projects approved in Toronto schools.

The province previously committed to both the capital costs to build 69 new centres and the funds to operate them once they open, but under Ford the province has pulled back on operating funds.

There are 17 centres for which the province is still committed to covering the operating costs. The remainder of the operating funds must be paid by the city. The province originally gave the city an August deadline to confirm it would pay for the operating expenses, but later

relented and moved the date to Oct. 31.

City staff estimated that funding the remaining centres would cost the city \$35 million annually once they were all built. All together, the centres represent some 3,000 new spaces. That planned expansion is part of a provincial growth strategy mandated under the previous Liberal government that aimed to add 45,000 new licensed spaces by 2022. In the spring budget, the Ford's Progressive Conservatives, pledged to spend \$1 billion over the next five years to add 30,000 new spots.

Since the provincial cuts were announced, one school board has decided not to go ahead with two of the originally planned projects, staff said. They are in the process of confirming the others ahead of the deadline.

City staff say it may be possible to mitigate some of the future operating expenses, but that it will be reported at the relevant budget time. Staff say it's likely none of the new centres requiring operational funds from the city would be open until at least 2022.

A statement from Education Minister Stephen Lecce said they were making "key investments" in child-care while offering parents choice and that the city staff report "confirms that our plan is working, and will help build over 3,000 new child-care spaces in Toronto."

The statement does not acknowledge that the operating costs needed to fund those spaces must now be born by the city, nor did it directly address the subsidies at risk.

It highlighted the child-care tax credit, announced during the spring budget, which the province says will help around 300,000 families cover part of their expenses.

But the province's independent Financial Accountability Office recently reported that fewer than 300 of those eligible families will receive the maximum \$6,000 payment and only three per cent of government spending through the tax credit will go to families earning less than \$21,400.

The provincial cuts to child care became clear after the province tabled its spring budget and started informing municipal officials about changes to existing funding formulas and agreements, including retroactive cuts in 2019.

In August, the province, after public pressure from Toronto officials, including Mayor John Tory, announced it was reversing its decision to level retroactive cuts. However, changes to the future funding provided to the city for child care and other services remained.

The funding gap comes ahead of council's 2020 budget talks, expected to be challenging as a result of the significant squeezing by the province.

It will put Tory, who recommitted during the 2018 campaign to not increasing property taxes above the rate of inflation, in a difficult spot with the city's \$13.5-billion operating budget already seeing fewer dollars on services spent per person over the last decade.

Tory said through a spokesperson Tuesday that he continues to be "concerned" about the provincial cuts.

"Our officials have been in discussions with Government of Ontario officials and I intend to continue to work on this in order to ensure there is affordable child care in our city to help families," the statement read.

**Related link:**

**Region:** Ontario <sup>[3]</sup>

**Tags:** funding <sup>[4]</sup>  
subsidy <sup>[5]</sup>

---

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/19/10/ontario-budget-cuts-put-760-affordable-child-care-spaces-risk>

**Links**

[1] <https://childcarecanada.org/documents/child-care-news/19/10/ontario-budget-cuts-put-760-affordable-child-care-spaces-risk> [2] <https://www.thestar.com/news/gta/2019/10/08/760-affordable-childcare-spaces-at-risk-after-ontario-budget-cuts-city-staff-say.html> [3] <https://childcarecanada.org/taxonomy/term/7856> [4] <https://childcarecanada.org/category/tags/funding> [5] <https://childcarecanada.org/category/tags/subsidy>