

# If getting your child-care rebate seems like a mess, that's because, behind the scenes, it is <sup>[1]</sup>

With no overarching strategy or system for tackling this ambitious project, municipalities are scrambling to get things moving, Armine Yalnizyan writes.

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## AVAILABILITY

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

## EXCERPTS

When Ontario's parents were promised child-care rebates in their bank accounts by May, it felt like pennies from heaven.

Staring down the cost of summer care, and against the backdrop of a nearly 40-year inflation high, who couldn't use a break?

Now, it's almost July. There are no cheques, little hope anything will arrive before the fall, and a tangle of worsening child-care capacity issues, despite generous federal funding.

How did we get here? And where's the money, honey?

The promise of 25 per cent in rebates retroactive to April 1 for eligible child-care fees, as pledged by the Ford government before the election, will put roughly \$235 to \$365 a month back into the pockets of more than 200,000 parents who pay full fees, as well as offer some help for 35,000 partially subsidized families.

Another 25 per cent reduction in fees, which would cut current fees in half, is set for Jan. 1, 2023. Nothing generous here: this cut is a requirement by the federal government in every jurisdiction, in return for taking federal money.

Ontario is lagging Nova Scotia, Saskatchewan, Alberta and Northwest Territories, which have already cut fees in half, while parents in Quebec and Yukon already pay \$10 a day or less.

To underscore what a big deal this is in Ontario, by Jan. 1, hundreds of thousands of Ontario parents, who are paying the highest child-care costs in the country, will save between \$475 to \$730.

By 2026, parent fees in licensed child cares will be \$10 a day, everywhere in Canada.

Not everybody will get a rebate. You qualify if your kids are under younger than six and cared for by licensed providers.

But if your kids are in a before-and-after hours program provided by a school, you're out of luck.

If your fees are already fully subsidized, as they are for more than 50,000 Ontario children, you won't be getting any help.

And if you don't use licensed care, which includes a growing number of parents because licensed (and unlicensed) operators can't find enough staff to operate at full capacity: no cheque for you.

Let's say you're eligible. What's the holdup in getting your money?

Licensed care centres have been given until Sept. 1 to apply for the public funding that provides rebates to parents. Providers need to apply through the municipalities in which they operate, and each municipality is responsible for designing and implementing its own application form and guidelines.

If that sounds like a mess, that's because it is.

No other province does it this way, but Ontario's reliance on municipalities traces its roots back to the Second World War, when the federal government cost-shared the provision of child care with provinces so women could take on the industrial labour required for the war effort.

Municipalities still play the dominant role for administering child-care services in Ontario.

It's not a bad idea that in a province as large as Ontario there is some devolution of administration to attend to the massive regional differences and complexities, but the municipalities are scrambling to get things ready because there is no overarching strategy or system for tackling this ambitious project.

In Southwest Ontario's Oxford County, there are just two staff members to cover all things related to children's services, and both have other files for which they are responsible.

Lynda Bartlett, manager of human services for the county, knows how desperate parents are for help in her rural area, but things are taking longer than anyone wants because the province chose not to develop standard processes.

She says she wishes the province stuck with the 50 per cent fee cut for licensed care by next January, a requirement of the deal with the federal government everywhere in Canada. Adding the promise of a rebate retroactive to April is creating massive complexity.

Plus, Bartlett adds: "We have operators like the Y(MCA)s that provide services across the province, in urban and rural settings, dealing with different procedures across the province. It's a nightmare."

And a lack of one set of rules is just the tip of this regulatory nightmare.

Once a municipality has a system for application in place, it will need to vet applications to ensure operating costs are reasonable. This makes some licensed businesses less eager to apply.

Not all licensed care providers are used to having their books audited by the municipal government, a requirement for any who already have purchase-of-service agreements to provide subsidized care. Some businesses won't want the public scrutiny that comes with public funding.

Replacing parent fees with public resources to cover operating expenses raises big questions: Should we pay for mortgages of overpriced residences or buildings that are the owner's retirement plan? For overpriced catering or bookkeeping provided by a friend or family member of the owner? For renovations that improve the value of the asset to the owner, but do little for the operational quality and quantity of care?

The bottom line is, even if they're eligible, if your provider doesn't play ball, parents in these licensed establishments won't get a rebate for their child-care fees.

It's only early days, but Shanley McNamee, general manager of children's services for the City of Toronto, notes that of the 336 licensed centres that didn't already have a service agreement to provide fee subsidies, only 13 have signed up to reduce parent fees since last Thurs., June 23, the first day the portal for applications was available.

Though five have already opted out, the good news is at least three-quarters of the 55,000 licensed spaces for kids younger than six in Toronto are expected to opt in by the Sept. 1 deadline.

The bad news is that the biggest barrier on the road to \$10-dollar-a-day child care is not just red tape. It's lack of capacity, and not just in the licensed system.

In Oxford County, neither the number of centres nor the number of licensed spaces have declined; but capacity has fallen as trained early childhood educators leave the field due to low pay.

That's another pointless policy puzzle: the province has set minimum wages for ECEs at \$18, \$20 for supervisors – less than most dog groomer job postings in Ontario.

Bartlett estimates capacity is down 20 per cent. That means one in five eligible parents won't find either the care or cost savings they need, because Ontario isn't using federal funds to pay a decent wage to revalue the people who provide the care we all need.

In fact, the government of Ontario is not yet using the federal funds in any way at all.

Once the Ontario government learns how to pronounce "timely rebate," it might want to go to school on how to solve a staffing crisis.

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

**Tags:** child care <sup>[4]</sup>

funding <sup>[5]</sup>

Canada wide agreement <sup>[6]</sup>

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