

OCBCC summary of Ontario's new child care funding formula and funding framework ^[1]

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EXCERPTS:

The Ministry of Education has just released Transition to Ontario's New Child Care Funding Formula and Funding Framework

- It flows the final \$50 million of the 2012 - 2013 stabilization funding that was part of last year's Liberal / NDP budget deal
- It changes the way that all child care funding flows from the province to local CMSMs and DSSABs to deliver child care in our communities.
- It allows CMSM's and DSSAB's to provide base funding to child care programs.

However, new provincial money is limited to the one-time stabilization funding announced last year. It is not enough money to provide base funding with affordable parent fees and reasonable wages that would allow us to stabilize and grow child care services for families.

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Wage subsidy and wage enhancement are rolled into the general operating category.

There are no longer dedicated line items or allocations for wage subsidy or wage enhancement. Those two categories have been integrated into the new Core Services category.

The main categories for provincial child care funding are:

- Core Service (718.4 million)
- Special Purpose (small subsidies for aboriginal, rural, French) (\$30 million)
- Minor capital (8.8 million)

Total provincial child care funding is \$922.1 million (does not include approximately \$148 million in municipal cost-sharing).

The largest line item is "core services" which can be spent on "general operating, fee subsidy, Ontario works".

The devil will be in the details of course... and those details will become clearer in the New Year.

First thoughts on positive aspects of the new formula:

- Fewer line items means simplified reporting for child care centres and CMSM's and DSSAB's.
- The new funding formula, (described as equitable, transparent and streamlined) is based on demographics, low-income cut off, educational attainment and social assistance case load by region - more up to date than the 20 year old formula of the past.
- CMSM's and DSSAB's must spend a minimum of funding on children with special needs.
- As per current provincial policy, new capital funding is restricted to not-for-profit child care programs.
- There is a cap on the amount municipalities can spend on administration

Our initial concerns:

The wage subsidy and wage enhancement grants disappear in exchange for flexible money allocated by municipalities. We need to ensure this does not result in decreased wages for staff.

Increased pressure from for-profit child care centres for operating funding: The province said municipalities should prioritize stabilizing the not-for-profit sector but there is nothing to ensure that will happen. Municipalities will have even greater flexibility to fund in any way they like and will be lobbied by for-profit child care operators for funding.

Playing Politics with Child Care

The Liberal government is currently engaged in a fight with teachers, educational workers and other workers in the broader public sector.

Despite the fact that early childhood educators and other child care staff are underpaid and undervalued and that many of our centres struggle to retain staff, the Liberal government has declared that no "new" provincial funding can be used to increase wages.

The "new" funding that is at issue is the stabilization funding our sector fought so hard for last year recognizing that low wages are one of the biggest problems facing child care centres.

To raise wages, to attract and retain staff and be comparable to school boards, child care centres will have to raise fees instead.

Is this really big change?

Yes. Changing the funding formula will affect all our centres. As mentioned above, exactly what this looks like will be hugely impacted by the details of implementation.

However, the biggest problem facing child care funding is still not solved.

For the past 15 years, the province has failed to adjust provincial spending on child care for inflation. The health sector gets an inflation adjustment. The educational sector gets an inflation adjustment. But not the child care sector. Every year we are expected to do more with less.

Until we see fair funding for child care, we will not see the universal, affordable, high quality child care for children or fair wages for our staff.

What you should do in January

CMSM's and DSSAB's need to continue to develop more accountable and transparent relationships with child care operators.

We can expect CMSM's and DSSAB's to allocate and distribute new stabilization funding according to service plans.

This is a time of change and we need to make sure it is change in the right direction.

We need to ensure that staff salaries DO NOT go down and parent fees DO NOT go up.

It will be difficult for the OCBCC to track all 47 of Ontario's CMSM's and DSSAB's - So please keep in touch with any new developments - send an email to info@childcareontario.org [2] or call us anytime on our toll-free line at 1-800-594-7514.

Related link: Transitioning to Ontario's new child care funding formula and funding framework: Supporting documents [3]

Region: Ontario [4]

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