



**Manitoba Child Care
Association**

**Manitoba Pre-Budget 2024 Submission
Manitoba Child Care Association
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The Manitoba Child Care Association (MCCA) is a voluntary professional association, not for profit, registered charity working since 1974 to promote quality child care as a service and as a profession. We are the largest provincial child care association in Canada, and entirely self-funded through membership dues and professional development events. Our 4700+ members include those who provide care and education in licensed homes and child care centres, and they keep us informed of needs, priorities, and challenges providing care, early learning, and family support in their community.

MCCA is an active partner in the development of early learning and child care services in Manitoba. We believe ongoing communication and dialogue are important to help the Government of Manitoba meet their goals, set priorities, plan for the future and make decisions. We are confident that the information we provide will support policy makers in strengthening the programs and initiatives already in place and set a strong foundation for the future.

There has been progress in Manitoba's Early Learning & Child Care (ELCC) Sector over the past four years, but there is much more work to be done. The policy recommendations from MCCA, as the recognized voice of the child care community in Manitoba, must be considered when planning.

On August 9, 2021, Manitoba became the 7th province to sign onto the Canada-wide Early Learning and Child Care Plan (CWELCC). This includes federal funding of more than \$1.2 billion over five years.ⁱ And yet licensed child care programs in our province continue to present deficit budgets, experience rising staffing shortages, and face recurring systemic challenges.

It is under this premise that MCCA is calling upon the Province of Manitoba, to prioritize increased, sustainable investments (in its 2024 Budget) into early learning and child care to ensure its viability.

Since 2020, early learning and child care has been the focus of attention across the globe. Throughout the pandemic, it became evident that *everyone relies on someone who relies on child care*. Early learning and child care remained a stable, consistent and essential service for Manitoban children and families during a period of uncertainty and normalcy. In addition, ELCC was the glue that continued to hold the workforce together so that Manitoba's economy remained intact. With the addition, of the Canada-Manitoba Canada-wide Early Learning and Child Care Agreement (2021-2026)ⁱⁱ, child care has been elevated to its highest platform.

And yet, despite the dazzling Canada-wide agreements, it is still dismal for child care programs in Manitoba who are financially unstable and are experiencing significant challenges.

Why is this? Licensed not-for-profit facilities, which make up 95% of Manitoba’s child care system, rely on unit funding for their revenue. The current unit funding model, was established in 2000 and aimed to provide a more equitable manner to fund facilities. It was based on estimated typical operating expenses at that time and is antiquated. Programs have continued to incur additional operating costs that did not exist 24 years ago. Unit funding ensures that each “unit” of care (4 infants, 8 preschoolers, 15 school-age children) generates the same amount of revenue for a facility.

In 2015/16, the unit funding rate was \$295/day. Today it is \$354/day; an increase of 20% over 8 years. The Consumer Price Index change from 2016-2023 was 23.5%ⁱⁱⁱ. While a 3.5% variance may seem inconsequential, a closer examination of the unit funding is important since it includes both operating grants and parent fees.

On average, licensed not-for-profit facilities rely on 60% of their revenue from parent fees. These were last increased in 2013. The introduction of \$10/day child care for Manitoban families has been monumental for those who have had success securing a space. However, one of the key principles under the agreement is affordability, therefore, it reasonable to deduct there will be no further increases to child care fees, thus directly impacting the key revenue stream for programs.

This is why it is critical to examine the provincial operating grants, which are the other considerable portion of revenue for facilities within unit funding. According to the Annual Reports^{ivv} produced by the Province of Manitoba, core operating grants were frozen from January 1, 2016 until 2023. While under the Canada-MB CWELCC, wage supplemental grants have been infused into the operating grants (July 2022, 2023), there has only been a 2% increase to the core grant since 2016. It is no wonder that licensed not-for-profit facilities continue to struggle to pay competitive salary scales for the “essential” Early Childhood Educators that provide the high-quality early learning and care that all Manitoban children deserve.

In 2007, MCCA partnered with People First HR Services to provide professional assistance in establishing a market competitive wage scale to enable the child care sector to compete more effectively with other sectors that have similar/comparable jobs. MCCA indexes the scale annually, based on the average annual wage increases in Manitoba, by the data compiled by PeopleFirst which includes cost of living and consumer price index indicators.

That leads to the question – what funding is required to ensure facilities have adequate revenue to pay their ECEs on the Market Competitive Salary Guideline Scale 2023-2024^{vi}?

The core staffing cost per unit (Level 3, MCSGS 2023-2024) is \$372/day. Facilities spend 85% of their total revenue on salaries and benefits. In order to meet these expenses, the unit funding must increase to \$437/day. This is a difference of \$83/day from the current unit funding. With an average of 5100 “units” (based on 40,913 spaces^{vii}) in the system that operate 260 days per year - the answer is astounding – the current early learning and child care system requires an investment of \$110M to ensure that ECEs are earning fair compensation (**calculation document attached*). And while that number may seem excessive, it would only be a 17% increase to a frontline ECE III’s hourly salary in comparison with the ELCC Wage Grid^{viii}.

Surely, Early Childhood Educators who were deemed heroes and essential over the past four years, are worthy of a 17% increase?

MCCA reiterates its message – despite the historical Canada-wide agreements and funding, ELCC facilities are in precarious financial positions; the sustainability of a high-quality growing system is in jeopardy. In a recent survey of its members, facilities repeatedly shared their inability to attract and retain certified ECEs.

Our newly-elected government has a prime opportunity to make child care a priority and invest in a substantial and meaningful way. MCCA is recommending that the Province of Manitoba increases its spending by \$110M in its 2024/2025 Provincial Budget.

ⁱ These investments are in addition to existing 2017 Multilateral Early Learning and Child Care Framework (2017) of which Manitoba’s portion was \$46.8 million.

ⁱⁱ <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/manitoba-canada-wide-2021.html>

ⁱⁱⁱ Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted

^{iv} <https://www.edu.gov.mb.ca/annualreports/index.html>

^v https://www.gov.mb.ca/fs/about/annual_reports.html

^{vi} <https://mccahouse.org/wp-content/uploads/2023/11/MSCGS-2023-2024.pdf>

^{vii} <https://www.edu.gov.mb.ca/annualreports/index.html>

^{viii} https://www.manitoba.ca/education/childcare/students_workforce/wage_grid.html