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How municipal roles in child care contribute to accessibility

Childcare Resource and Research Unit February 2022

About the series

One aspect of Canadian child care provision is that the supply of child care services is too limited to meet demand, unevenly distributed and inequitable in terms of location. The primary reason for this is that “creating” child care services in Canada has mostly been treated as a private responsibility. This private approach is in contrast to public processes where governments take responsibility for ensuring that child care services are developed where and when they are needed.

As Canada begins to fulfill a historic commitment to build a universal early learning and child care system, the challenge of limited, uneven, inequitable child care availability must be tackled systemically—a more publicly managed, planned, intentional approach based on greater public responsibility for ensuring the availability and determining the characteristics and distribution of regulated child care.

This series of short, topical papers covers the importance of designing effective child care expansion strategies and some elements that can contribute to developing them. The series is based on a longer publication, [*Moving from private to public processes to create child care in Canada*](#) (2020), and has been revised and re-developed in this more accessible series format to reflect current Canada-wide policy developments.

MOVING
FROM PRIVATE
TO PUBLIC
PROCESSES.

A SERIES ON
CREATING
CHILD CARE
IN CANADA

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What's the issue?

This paper explores the key roles municipalities and other local government entities can play in enhancing public management associated with creating child care services. In many countries, and to a considerably lesser extent in Canada, local municipal level governments play a variety of roles in child care services. These include planning, administration, and financing, all of which can contribute to improving child care availability. This paper concentrates on how municipalities can facilitate, support and assist creation of child care services. [Paper 4 in this series](#) addresses local government's direct provision of child care services.

What is a municipal level government?

In Canada, municipal governments are defined as

local authorities created by the provinces and territories to provide services that are best managed under local control. They raise revenue (largely from property taxes, local charges and provincial grants) and impact people's daily lives in numerous ways, from garbage pick-up and public transit to fire services, policing and programs at community centres, libraries and pools. Municipal governments include cities, towns, villages and rural (county) or metropolitan municipalities (Plunkett, 2013).

While municipalities may be defined somewhat differently in other countries and may have different roles and responsibilities from their Canadian counterparts, they are a local level of government — “the level that best understands the needs of local populations and where participation can most easily occur” (Jenson & Mahon, 2002: ii).

Canadian municipalities have an important, defining characteristic: they are “creatures of the provinces”, or “located under provincial jurisdiction

in the Constitution”, with limited capacity to generate revenue on their own (Good, 2019). This arrangement has been described as “a set of intergovernmental relations that were designed in the 19th century, when many more people lived in rural than urban areas” (Jenson and Mahon, 2002: 1). It is noteworthy that municipal level entities relevant to child care can have quite different definitions and characteristics in different Canadian provinces. For example, Ontario has defined 47 amalgamated municipal and regional entities (Consolidated Municipal Service Managers (CMSMs) and District Social Services Boards (DSSABs)), while in Saskatchewan there are 775 municipalities, most of which have very small populations. In this paper, the term “municipality” is used generally to mean a geographical area in which the inhabitants share a common local government.

What’s the context?

In many countries, the local level of government plays an important variety of roles in early learning and child care (ELCC). In countries with well-developed ELCC systems such as Sweden, Denmark, Norway, France, Slovenia, Germany (a federation like Canada with intermediate level sub-national states/provinces) and others, it is the local, municipal level of government that is charged with the responsibility for administering child care services, planning, developing new services, and ensuring service availability. Contributing to financing ELCC services along with the national government may also be a municipal responsibility, as is the case in Sweden and Norway (which have quite differently arranged tax systems than Canada).

The idea that service management and delivery should be determined and managed locally is consistent with the concept of subsidiarity, the principle that tasks are best handled by the lowest level competent authority. In this view, one of the benefits of local management of program delivery is that it enables democratic participation of community members, parents and children in the ELCC services so as to best ensure responsive programming. While the term subsidiarity may be used in various ways, Jenson and Mahon’s observation noted earlier that the local level “best understands the needs of local populations and

where participation can most easily occur” (Jenson & Mahon, 2002: ii) is the definition adopted in this paper. Looking at this in the Canadian context, Torjman and Leviten-Reid observed that “local governments are in a position to promote awareness of the pressing social needs in the community and of the importance of social investment. They can foster a sense of responsibility for social well-being among all sectors including business, community groups and other levels of government” (2003: 4).

However, as child care scholar Rianne Mahon (2004) has pointed out, although communities are the place where the policies of senior levels of government are best put in place, local management is sustainable only if it is supported by the policy and financing to which senior levels have greater access. This is particularly the case in Canada where municipalities have no legal status and limited revenue generating power. It is in the interest of local governments to deliver and manage ELCC programs to meet local needs because adequate child care is important for ensuring the sustainability, prosperity and growth of local communities (Jenson & Mahon, 2002; Korpi, 2007).

Making municipal roles central to child care policy in Sweden’s well-developed child care system exemplifies how the national government has supported and strengthened the system from the beginning. As early as 1975, with introduction of the first national *Preschool Act*, child care became a mandatory municipal task: “municipalities were obliged to take responsibility for its expansion” (Korpi, 2007: 26).

It was during the rapid expansion of child care in Sweden in the 1970s that the municipal role in creating services came into full force, as “given the lack of land for building, flats were used for day care centres... In Stockholm...the city had an option on all vacant flats on the ground floor of apartment blocks which they could inspect to see if they might be suitable as premises for day care centres” (Korpi, 2007: 33). Korpi also commented that “the arguments for attracting people and companies to specific municipalities were now not just good living conditions, schools and outdoor life, but also easily accessible child care of high quality. Soon there was not a single new housing area planned without premises for child care” (2007: 36).

As discussed earlier, part of the context for considering the role of municipalities in child care in Canada is their legal status: in Canada, municipalities are “creatures of the provinces”, with “no inherent powers — only the powers given by the province, generally in a statute” (City Solicitor City of Toronto, 2000). Considering the differences in approaches to municipalities in different provinces, this commentary went on to observe that “because the powers of cities depend on the political will of the province concerned, municipal powers vary greatly across Canada. Like a parent, one province can allow municipalities little discretion while another allows extensive independence” (City Solicitor, 2000: 1-2). This status does not prevent municipalities from being assigned (as in Ontario) or assuming (as in British Columbia) various roles in child care. However, depending on the province, the specific roles and responsibilities that may have an impact on child care vary.

A key paper by Jenson and Mahon, which examines the balance of government roles and responsibilities with respect to child care notes, “Until the 1960s, most public involvement in child care came from municipal authorities. Then in 1966 the establishment of the shared-cost Canada Assistance Plan (CAP) brought both the federal and provincial governments into the field” (2002:ii). They observe that at this time Canadian municipal level governments lost their status in children’s services. A report from the Muttart Foundation notes:

Municipal level governments across Canada play limited roles in the support or delivery of early learning and care. The provinces’ jurisdiction over education and social services leaves municipal level governments outside Ontario without mandated roles or responsibilities for the oversight or management of services, while the reliance on markets for the financing and delivery of child care presents them with organizational and funding barriers to overcome should they choose to take on more discretionary ones (Muttart Foundation 2016: 8).

Thus, the various roles of municipalities in ELCC have never been very well developed in Canada. Prentice has noted that Canada has instead

primarily relied on the “third sector” to “initiate and deliver child care, part of a long tradition of voluntary sector delivery of social and personal services” (2007) in addition to relying on entrepreneurs to develop and deliver child care. This has been true throughout Canada, including in Ontario, despite its unique approach amongst provinces and territories when it comes to the role of municipalities in planning, funding and administering child care.

Two provinces have a long history of municipal involvement in child care, Ontario and Alberta, with Ontario standing out for its long-time administrative role in child care. Municipalities have been a key part of the child care picture in Ontario for more than 75 years. Ontario’s first child care policy paper stated “The significant municipal role contributes to greater appropriateness of local services...and should be retained and strengthened” (Ministry of Community and Social Services, 1981: 58). The role of municipalities was amplified in Ontario with *New directions for child care*, a significant policy document that –among other things— further increased support for local planning, community participation and funding for local initiatives (1987). The current system of 47 Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DDSABs) was established in the late 1990s at a time of extensive provincial cutbacks and amalgamation of some municipalities such as Toronto (see: Graham & Phillips, 2008). In 2000, the municipal service planning role was mandated by the provincial government.

Ontario’s municipal roles have included operation of public services, funding, local service planning, and administration. Ontario municipalities have historically played, and continues to play, a unique role in administering child care and other early years programs.

Alberta is the only other province that has historically had a significant municipal role in child care. It was different from Ontario’s approach as—while it was provincially designed—the role was not mandated. Unlike Ontario, where municipalities have played multiple roles, Alberta municipalities were more focused on delivering child care, operating,

and funding a share of more than 60 public child care centres between the 1970s and 1990s (Langford, 2011).

Under Alberta's 1966 provincial *Preventive Social Services Act*, municipal level governments could then deliver "approved preventive social services" (i.e., child care) while the federal Canada Assistance Plan, also introduced in 1966, allowed transfer funds to support them. As in Ontario, the eligible costs of provincially approved services were shared among three levels of government (20 % municipal – 30% provincial – 50% federal funds) (Muttart Foundation, 2011). At the end of the 1970s, the Alberta government changed its approach to funding child care services, "largely removing the financial capacity of municipal level governments to develop, support and deliver child care services in response to community needs, and repositioned them as potential service providers or supporters of services, on a similar footing with private non-profit and for-profit organizations" (Muttart Foundation, 2011: 10). The large Alberta municipalities sought and were granted direct transfer payments for child care through the Canada Assistance Plan with no provincial contribution (called a "flow-through" by Jenson & Mahon, 2002) but by 1996, the combination of changes to provincial and federal funding and policy changes¹ led to the demise of almost all Alberta's municipal child centres.

What's the current state?

Ontario

Today Ontario is the sole Canadian province that delegates authority and responsibility to municipalities while retaining control over child care policy overall, as well as key aspects of child care provision such as licensing and many elements of financing. Since 1998, when provincial legislation amalgamated a number of social programs, Ontario's role in child care has been managed through the amalgamated Consolidated Municipal Service Managers (CMSMs) and the 47 District Social Services Administration Boards (DSSABs) or local system managers. Provincial child care legislation defines the municipal government roles in

¹ Including the replacement of the cost-shared Canada Assistance Plan with the block fund Canada Health and Social Transfer

regulated child care, which include contributing some financing, administration and local service management, service planning and directly operating child care services, which is discretionary. School boards and CMSM and DSSABs work together planning for child care in schools as well as developing priorities for creating child care spaces in schools.

Municipalities finance at least 20% of the child care budget for fee subsidies, operating funds, EarlyON centres (family resource programs) and resources for children with disabilities, and 50% of administration costs (the remaining 80% and 50%, respectively, have been paid by the provincial government). However, the provincial share of municipal costs are slated to be reduced in 2022. Municipalities may also implement their own initiatives to raise revenue or resources for child care, although their discretionary options for this are limited. For example, at times, Toronto has used community benefit contributions under Section 37 of *Ontario's Planning Act*. A "Section 37" under *Ontario's Planning Act* allows a municipality to negotiate for community amenity benefits when a development requires a zoning by-law amendment. A number of child care centres in Toronto have been a result of this process.

Ontario municipalities are responsible for administering the public financing and administering other aspects of provision of regulated child care in their area. This includes administering provincial funding for fee subsidies for eligible families, wage subsidies to enhance staff salaries and benefits of staff and special needs resourcing funds to support the inclusion of children with disabilities in child care. Since 2012, when the provincial government "modernized" the funding formula determining funds transferred from the provincial government, municipalities have had considerably more discretion about how funds were to be spent between child care funding categories.

The local service system management role in Ontario also includes municipal administration of "service contracts" for parent fee subsidies with operators and managing the wait list for fee subsidies, although the provincial government sets the criteria under a provincial income test for family eligibility for a fee subsidy. Overall, the provincial government determines which services are eligible to receive subsidized

families but local system managers can further define the operation of the subsidy program. For example, in Toronto since 2004, new for-profit operators are ineligible for service contracts for subsidy provision. Cleveland reported in 2018 that 16 of the 47 CMSMs/DDSABs had a moratorium on service contracts with new for-profit operators and restricted funding in various ways (Cleveland, 2018).

In addition to financing and local service system management, each municipality is required to engage in service planning for child care, creating a service plan that guides the development, funding and maintenance of child care in their geographical area.

A number of Ontario municipalities still directly operate public child care programs in their community although the proportion of child care spaces delivered through municipally operated centres has significantly declined in the last thirty years. Changes to the provincial funding formula and other funding decisions led some municipalities to close publicly run centres as a cost-cutting measure. [Paper 4 in this series](#) on public child care provision describes this in Ontario.

Finally, many municipalities in Ontario have “grown into” being what Cleveland called “caretakers of quality”, as half of the municipal entities use a quality measurement tool (Cleveland, 2018), with some (Wellington County and the City of Toronto, for example) also engaging in research.

Alberta

In Alberta, the situation of municipal involvement in ELCC is quite different today than it was when there were provincial and federal funding arrangements that encouraged and supported many municipalities to become involved in child care. Today Alberta has only a small municipal service provision role, with four smaller municipalities supporting services. For some years, the municipalities of Beaumont, Jasper, Drayton Valley and the Municipal District of Opportunity all have had centres benefitting from municipal support of one kind or another, including operating the centres as the license holder, to providing the facility. [Paper 4 in this series](#) on publicly delivered child care includes a detailed description of the Drayton Valley child care initiative.

Saskatchewan

Saskatchewan also has a small municipal role in supporting or operating as the license holder child care centres in a number of municipalities—all very [small rural villages](#). This has arisen serendipitously, not through a provincial initiative.

British Columbia

British Columbia does not have a legislated role for municipalities in child care but municipalities in Metro Vancouver have played a significant voluntary role in the planning and funding of child care since the 1990s. The City of Vancouver took the lead when it began involvement with the *Civic Child Care Strategy* in 1990 (Molina, 2017). The City of Vancouver is currently involved in child care in several ways through a comprehensive strategy² that includes policy on child care directions, a unique approach to demand forecasting, creating non-profit services, negotiating for child care as an amenity in the land use planning and development process and providing capital grants to non-profit service providers. These grants are funded through direct municipal investment (mainly developer fees), and comprise three percent of the city's capital investments overall (Molina, 2017). Although the City of Vancouver does not directly operate child care facilities, they do contribute funding and provide first refusal for new centres to the Vancouver Society of Children's Centres (VSOCC), which the City of Vancouver initiated and now operates 14 non-profit centres.

There are 17 municipalities in the Metro Vancouver area, and a number of them play similar (although somewhat less extensive) roles in supporting child care through zoning, demand measurement and rental provisions. A number of municipalities have their own child care strategies, and others include child care objectives/policies in their Official Community Plan (Spicer, 2015).

In addition to Vancouver's long-time municipal role, the provincial government has supported municipalities across BC to take on a formalized role in child care planning as part of the provincial child

² A new City of Vancouver child care policy report is expected to be released in spring, 2022.

care expansion plan. Using funds secured through the BC bilateral agreement with the federal government under the federal Multilateral Early Learning and Child Care Framework, the provincial government has collaborated on planning and child care service creation with the Union of British Columbia Municipalities (UBCM). Since 2018, UBCM has administered funds to municipalities for the *Child Care Community Planning Program* and the [Community Child Care Space Creation Program](#) (Government of British Columbia, 2019).

Under the *Child Care Community Planning Program*, eligible local municipal government projects were funded to engage in child care planning activities, and develop a community child care space creation plan. This program represented a new role for local government in BC to play in planning and creating child care, and also allowed the provincial government to collect data on local demand to be used to their own province wide planning. The local projects funded collect information on child care needs, create an inventory of existing child care spaces, identify space creation targets over the next 10 years; and identify actions that can be taken to meet those space creation targets. Unlike Ontario, participation in this kind of planning is voluntary and by application (Union of British Columbia Municipalities, 2020).

The Community Child Care Space Creation Program is also administered by the UBCM and provides local governments with up to \$1 million to create new licensed child care spaces for children aged 0-5. These spaces can be within their own facilities or in a facility under a long-term lease agreement by the local government, with a priority on programs child care directly operated by the local government or public sector organization (i.e. school district), for underserved populations and non-standard hours child care. The spaces created through UBCM's program must be with non-profit and public operators. Several municipalities have been able to access the various programs in tandem, significantly developing their child care system in a short period of time. For example, the small town of Qualicum Beach received \$2 million (from *Space Creation* and *New Spaces* programs) to build a new non-profit child care centre on publically owned land and also partnered with other municipalities in

their region to develop a shared Community Plan using \$125,000 from the *Community Planning Program* (PQB News, 2020).

British Columbia provides an illustration of how municipal involvement in child care can play a key role even without the long history and mandate illustrated by Ontario's delegation of responsibilities to them. The funding through UBCM engages the BC municipalities to build capacity for local child care planning linked to creating child care services and to begin integrating child care into local initiatives.

Conclusion

These examples from three provinces illustrate how local governments can play key roles in expanding child care services. It is striking that the histories and mandates of municipal roles in child care in the three provinces are quite different from one another, from British Columbia's voluntary assumption of a municipal role by the City of Vancouver, to Alberta municipal involvement, which has shifted over time, to Ontario's delegation of a number of responsibilities by the provincial government. These illustrate but a few of the creative ways in which municipal fiscal, planning, administration tools and capacity to work effectively at the local level can be leveraged to support child care expansion. As the British Columbia case shows, most recently a provincial initiative to engage municipalities across the province through their organization (BCUM) supported by provincial funding has been strengthened by federal funding, first through the 2017 Multilateral Agreement, and in 2021, by the substantial new transfer funds to provinces.

Thus, funding and capacity support from senior levels of government are essential for leveraging local municipal involvement in creating child care. As Canada's long-term commitment to build a universal child care system takes shape, well-shaped roles for municipal-level governments can play key roles in reaching the desired goals.

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MOVING FROM PRIVATE TO PUBLIC PROCESSES

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