



March 20, 2019

Hon. Lisa M. Thompson
Ministry of Education
Mowat Block, 22nd Floor, 900 Bay Street
Toronto, ON M7A 1L2

Re: Ontario's New Child Care Plan

Dear Minister Thompson,

OMSSA's members are Ontario's 47 Service System Managers – Consolidated Municipal Service Managers (CMSMs), and District Social Services Administration Boards (DSSABs) – who play a central role in the planning, funding, and managing of early years and child care services.

OMSSA values its strong relationship with the Ministry of Education. We have appreciated Ministry staff keeping OMSSA members updated and going the extra mile to ensure Service System Managers had an opportunity to provide consultation on early years and child care policy.

The Ministry of Education informed OMSSA about their intention to introduce a new child care plan in 2019. The Province has also signaled its intention to move forward with a child care tax rebate, as promised during the 2018 provincial election campaign. OMSSA appreciates the opportunity to provide recommendations and consultation on the new child care plan.

On January 23 and 24, OMSSA hosted a summit of senior children's services leaders from our membership. All 47 service managers had an opportunity to discuss early years and child care and provide feedback on the new child care plan. The purpose of the summit was to identify priorities and positions and to bring forward relevant technical recommendations to assist with the development and implementation of the Province's new child care plan. The summit was designed in alignment with the new government's priorities in early years and child care – affordability, access, choice and reducing administrative burdens as stated by the province.

Our members look forward to building on our solid relationship with the Ministry and working together as true partners to address quality, affordability, access and choice within the early years and child care system in Ontario. We stand ready to work with the Province on the successful implementation of the new child care plan in local communities across Ontario.

QUALITY

Child safety and well-being is the most important and highest priority for OMSSA's members. This transmits across all priorities. Protecting and supporting our youngest, most vulnerable children is a priority and responsibility we share with the Province. OMSSA members also believe parental



education is needed to support families in making decisions on child care options, while factoring in considerations around quality and safety.

Approaches to Licensed and Unlicensed Care

Sustaining the current licensed child care system and continuing to invest in the expansion of licensed child care is of critical importance to OMSSA members, along with increased Service System Manager input and flexibility to support local priorities and needs. Oversight and regulation are required to ensure acceptable standards of safety and quality across the entire early years and child care system in Ontario.

OMSSA suggests that incentives should be provided to encourage unlicensed providers to enter into the licensed system, to ensure oversight that currently does not exist. Reducing the barriers to home child care licensing requirements would create new capacity, support quality, enhance oversight and accountability for services rendered by families.

OMSSA members would be interested in working with the Province on these initiatives, that would promote quality and safety in Ontario's child care sector. The Province should maintain its commitment to this important system and work to expand access to licensed early years and child care in communities across Ontario.

RECE Recruitment and Retention

A robust field of qualified Registered Early Childhood Educators (RECEs) is essential to an effective early years and child care system. Unlike in other provinces, early childhood education is a regulated profession in Ontario. RECEs are essential to ensuring a high-quality early years and child care system, but they are not compensated fairly or competitively for the important work they do. This has led to a shortage of qualified RECEs across the sector.

OMSSA believes it is imperative to recognize the value and invest in the people who dedicate their careers to supporting today's children and tomorrow's leaders. Further, OMSSA believes coordinated, dedicated efforts are required to ensure new students are trained and that current RECEs are compensated adequately so they remain in the system. OMSSA supports working in partnership with the Province and College of ECEs in the creation of a provincial recruitment and retention strategy to address the shortage of ECEs in Ontario.

AFFORDABILITY

Ontario has among the highest average child care fees of any Canadian province. Ontario families are paying from \$750 to \$1,700 per month (per child) for child care. Of the Canadian cities with the highest child care costs, eight of the top ten are in Ontario.



Ontario's Child Care Fee Subsidy

The child care system is primarily funded through parent fees and supported by the Ontario Child Care Subsidy program. In 2017, approximately 30 percent of children in licensed care (123,497) in Ontario received a full or partial subsidy for child care fees. Maintaining fee subsidies is crucial to addressing affordability in child care.

The regulatory framework guiding child care fee subsidies under Ontario's Child Care Funding Formula has not been updated since 2005. Currently, a family's income must be under the threshold of \$20,000 to qualify to receive the full subsidy. OMSSA would like to work with the provincial government in considering an increase of the threshold to match the Low-Income Measure After-Tax (LIM-AT), adjusted for family size and indexed to inflation.

Ontario's Proposed Child Care Tax Credit

OMSSA members welcome the provincial government's plans to further invest in the early years and child care sector. CMSMs and DSSABs are ready to work with the Province to provide input, strengthen the design and implementation of the tax credit and maximize its impact for families in Ontario.

Many families can't afford to pay child care costs up front, and a tax credit given out too far down the line will be limited in its ability to effectively support affordability. OMSSA encourages the Province to consider monthly or upfront distribution of the tax credit, to support those with lower incomes, and to support flexibility for all families.

The tax credit will help many families, but it should be implemented alongside other tools that support connection to the labour market, such as the child care fee subsidy program. We encourage the Province to explore how these two systems might work in tandem, maintaining (and modernizing) the fee subsidy for lower-income earners, and offering the tax credit for middle and high-income earners.

For the tax rebate to be successful, Ontarians need a child care system that provides true choice. Offering expanded tax rebates will help to improve affordability for some, but tax rebates alone will not address the pressing need to increase capacity in Ontario's child care system. Without expanded capacity, parents are left without choice and without access to affordable, quality licensed child care spaces. For the tax credit to work effectively, parents need be able to find a quality licensed child care space available within their home community.

Expanding Capacity to Support Affordability

Affordability is heavily supported by general operating grants provided to service providers in the current system. Should general operating grants be reduced or eliminated, service providers will have no option but to significantly increase user fees. If service providers can't afford to operate, they will be forced to shut down, leading to reduced capacity, reduced quality, and reduced choice and access – all at higher cost for families.



OMSSA members believe allocations and capital expansion funds should be maintained, as capacity is needed to address growing demand for licensed child care. A tax rebate will further increase demand and will not be effective unless people have access to affordable quality licensed child care spaces.

Collaboration with school boards on local early years and child care plans is also critical. OMSSA suggests that rental and cost recovery fees for the use of these assets for early years and child care services should be eliminated or capped within a standard provincial range, as they result in increased fees for families. These assets are already funded by public dollars and requiring municipalities to pay these fees with provincial funding amounts to a double bill for taxpayers.

OMSSA and its members encourage the Ministry to work to improve collaboration with school boards to leverage surplus buildings and land for the expansion of early years and child care services across Ontario, while encouraging children's services hubs and before and after school programs in schools.

ACCESS

In 2017, there were 5,351 licensed child care centres, 124 licensed home child care agencies, and 7,579 approved homes offering licensed home child care. The current number of licensed child care spaces across the province can accommodate less than 23% of children in Ontario from age 0-4. If spaces were available and affordable, it is estimated that 45-50% of children in this age group would be using licensed child care. Demand for child care spaces will continue to rise as the number of children under the age of 4 years in Ontario is projected to increase by 23% over the next two-and-a-half decades.

To improve access, investments should be made to expand high-quality licensed child care spaces across the province, with fees that are affordable to Ontarians. Additional capital expansion funds are urgently needed to increase access and address the growing demand for licensed child care in communities across Ontario.

Funding and Local Flexibility

OMSSA members believe that funding flexibility is key to enabling CMSMs and DSSABs to address unique local issues that pose barriers to access. Funding models should support viable child care options in northern, rural and remote communities, where there are increased barriers to access (eg. transportation). In high-growth communities, infrastructure and capacity need to keep up with the growing populations.

Expanding Access to Quality, Affordable, Flexible and Inclusive Care

The Province, school boards, Service System Managers and other partners should continue to work together to increase child care spaces in schools, government-owned buildings, and flexible-use public spaces. In addition, investments in EarlyON Centres should be maintained and



protected. OMSSA members appreciate the new dollars received to support EarlyON Centres in Ontario. This funding will benefit all 47 system service managers in Ontario and is welcomed by our membership.

Sustaining and maintaining special needs resourcing funding to ensure inclusive support services for children with special needs is required. More work is needed to eliminate barriers for families with children with special needs, including further integration of services between schools and child care. All children should be able to benefit from an inclusive child care system that celebrates diversity (special needs, culture, sexual orientation etc).

The same standards should be applied for everyone, everywhere in Ontario to ensure access to the services needed in all parts of the province. It is important to ensure staff are trained to provide inclusive environments and support families and children with diverse needs.

OMSSA members have also invested in and are committed to truth and reconciliation. Relationships with local Indigenous populations rely on trust. As a result of the Journey Together initiative, CMSMs and DSSABs, in partnership with Indigenous community organizations, have expanded access to culturally-relevant child care spaces for Indigenous families. In order to sustain these investments and deliver on the Province's commitment to Truth and Reconciliation, OMSSA believes that Journey Together needs to be maintained.

CHOICE

True choice exists only when families are not incentivized to make decisions based on cost, availability or access at the expense of quality, safety, or what's best for their family and their child. Choice should not undermine what is best for children – OMSSA believes options should be sufficiently regulated, monitored and accountable.

Studies have shown parents prefer licensed child care when it is available and affordable. There must be adequate access and capacity in the licensed child care system to ensure people have true choice in early years and child care services.

Approaches to Licensed and Unlicensed Care

The impacts on safety and quality in licensed versus unlicensed care are well-documented. No parent or guardian should make an uninformed choice that risks their child's safety or does not meet basic quality standards. There is a need for increased public awareness on the impacts of high and low-quality child care (including long-term social and economic impacts) to assist families in making informed choices around licensed or unlicensed child care. OMSSA supports and is willing to assist the Province in creating an education campaign to promote informed decisions and the importance of licensed child care and safety.

In the current system, only licensed child care has any level of oversight and accountability in terms of safety and quality. OMSSA suggests that some level of oversight is required for

unlicensed providers. Efforts should be made to bring unlicensed providers into the licensed system, so that choice allows consideration for quality and safety. At minimum, unlicensed child care providers should be required to register as a business, to better enforce the provision of income tax receipts to parents.

Parent-Driven and Locally-Informed Options

CMSMs and DSSABs know their communities best and have strong, established relationships with providers and parents. Service System Managers play a central role in planning and developing additional capacity, enhancing affordability and ensuring quality within Ontario's early years and child care system. They also leverage other municipal services and expertise, in areas like public health, libraries, recreation, economic development, transportation, poverty reduction, newcomer settlement and others, to strengthen and support their work. Their work is furthered by the strong relationships they have built with school boards, child welfare agencies and service providers in their communities. These connections – along with their ongoing work to integrate and streamline the delivery of all human services at the local level – help to reduce duplication, ensure quality, and respect Ontario's taxpayers.

Funding allocations should be grounded in an understanding of unique regional and local needs. Where the need is greatest, special attention should be paid to sustainable child care programs in smaller and rural communities, as well as infant care. Benefiting from strong local relationships, and a deep knowledge of local needs, CMSMs and DSSABs are well-positioned to design a suite of equitably available, high-quality, affordable and accessible options that best fit their communities.

OMSSA members believe this continuum of child care options should incorporate the whole system (child care, early learning, schools, after school programs/care, recreation), with seamless transitions between services that support inclusion of diverse needs. Service System Managers are working in their communities to offer choices based on quality, affordability and access. For parents, Service System Managers can also be an essential support to accessing and navigating local early years and child care services.

Parental choice is not possible without maintaining the integrity of current licensed child care spaces and pursuing significant system expansion. Base funding for licensed home child care needs to be maintained, and child care “deserts” need to be eliminated in some parts of the province. Choice is not possible without access to quality, affordable early years and child care services across all parts of Ontario.

REDUCING ADMINISTRATIVE & REPORTING BURDENS

OMSSA applauds the Ministry of Municipal Affairs and Housing for their initiative to reduce the reporting burden for municipalities in all areas. OMSSA supports the Province continuing to work with Service System Managers to remove unnecessary administrative and reporting burdens, and



to support investments in technology to improve and streamline these processes, freeing up needed resources to better serve children and families. OMSSA is also pleased to contribute to work being done in human services integration and social services modernization.

Funding Simplicity and Flexibility

To reduce administrative and reporting burdens in early years and child care, OMSSA suggests that the Province consider funding simplicity and flexibility, by streamlining child care and early years funding into a single envelope. Streamlining funding reporting requirements and administration across all programs (Ontario Works, Early Years and Child Care, Housing, CHPI etc.) would reduce administration and reporting burdens and costs. Service System Managers wish to be able to operate in a flexible framework, that allows them to use the right mix of approaches to address unique local needs and circumstances.

Providing multi-year funding, with the ability to carry funds over into future years would enable sound long-term planning. Empowering Service System Managers with flexibility to allocate funds across program areas according to local needs would improve outcomes for people across Ontario.

Streamlined and Meaningful Reporting

OMSSA members applaud the Province's efforts to reduce reporting and administrative burdens and integrate human services across Ontario. OMSSA members see great opportunities to work with the Province on achieving these shared goals.

OMSSA members support reducing duplication in data reporting, aligning federal and provincial reporting and ensuring the same data is being requested across programs, with consistent definitions, language, and reporting methods. OMSSA and its members encourage the Province to develop an Ontario-wide system for all data reporting across human services programs. Ideally, this would be managed as a shared system, with both the Province and Service System Managers having access for the purpose of reporting and data extraction.

OMSSA also strongly encourages the Province to move forward with automated income verification (AIV), by granting access to Canada Revenue Agency (CRA) income data to determine eligibility.

Reviewing data collection requirements to ensure that meaningful and useful data is collected would be helpful in eliminating unnecessary reporting. Reporting requirements should be grounded in program goals and outcomes, with efforts to ensure that the data being reported on and analyzed across program is consistent and comparable.

The Province, along with CMSMs and DSSABs, should be clear about the purpose of reporting and the ways that data is being used. Where possible, the Province should provide data and analytics back to CMSMs and DSSABs for use in long-term service plans. Providing advanced



notice of new data requests, including an explanation on why it is being requested, would be helpful to provide quality reporting data back to the Province that is relevant to their needs.

Streamlined funding and reporting is more efficient, reduces administrative waste, and saves money. Savings realized from system simplification, technology use, and reducing administrative and reporting burdens should be invested back into the early years and child care system to increase quality, access, affordability and choice for families.

PARTNERSHIP WITH THE PROVINCE

Multi-level partnerships (between the Province, Service System Managers, service providers and families) are key to an effective early years and child care system. The system today is strong because of the collaboration that has taken place between the Province, system service managers and providers.

CMSMs and DSSABs are the proven leaders and experts on the early years and child care system in their communities and have the skills and expertise required to partner with and assist the Province in designing, enabling and implementing system change.

CMSMs and DSSABs know their communities and are best-positioned to make the most efficient and effective use of resources to support local implementation of shared goals. Service System Managers are also no strangers to policy change and have a strong track record of working with the provincial government for the purpose of helping to shape implementation at the local level to meet our shared goals.

As key partners in administration, funding and delivery, Service System Managers welcome the opportunity to be engaged and leveraged at all stages of policy design and development as the Province works towards modernizing and improving child care and early years services in Ontario.

OMSSA and its members are ready and able to work in partnership with the Province to lend our expertise and experience on the province's new child care plan. OMSSA appreciates our strong working relationship with the Province, including the opportunity to meet and share our priorities with you at the AMO Conference last summer. Together with our members, we look forward to consulting, supporting and implementing the Province's new child care plan for Ontario.

Sincerely,

Elaine Baxter-Trahair
President

Doug Ball
Executive Director