



Report To:	Program Planning Committee
From:	Donna Stewart, Director of Integrated Social Services and Lori Clark, Children's Programs Supervisor
Date:	February 26, 2020
Re:	Child Care Funding Formula – Issue Report

Recommendation:

That the Manitoulin-Sudbury DSB and member municipalities demand that the Minister of Education address the funding inequities that have been created by the current funding model for Northern Ontario

The Ministry of Education adopt the use of the [Low-Income Measure After Tax \(LIM-AT\)](#) instead of the current [Low-Income Cut-Off After Tax \(LICO-AT\)](#) in order to better and more accurately reflect level of poverty faced by families in Ontario. The use of LICO-AT disproportionately and inappropriately favours communities in Southern Ontario compared to communities in Northern Ontario.

Background:

The Ministry of Education provides funding for Consolidated Municipal Service Managers and District Social Services Administration Boards (CMSMs/DSSABs) that is founded on a proportionate allocation of specific types of funding based on identified data elements.

The Ministry of Education is currently undertaking a full review of the formula and funding model for the Child Care programs under the Service Management of the forty-seven (47) CMSMs/DSSABs.

Canada uses three low-income measures: LICO, LIM and a Market Basket Measure (MBM). LICO's drawback is that it doesn't factor in cost of living in different places. For example, people in the rural north typically have higher heating costs, gas costs, food costs, transportation costs, than those in the rural south, etc. This can make things difficult when comparing poverty levels in different regions. It tends to understate poverty in the north.

Currently the MEDU formula uses LICO as a data element to provide additional funding for low-income families. There is one pot of money earmarked for low-income families and MEDU distributes it based on LICO data from Statistics Canada.

Low income stats for Manitoulin-Sudbury:

Prevalence of Low Income by Age Group (2016)	Manitoulin-Sudbury LIM-AT	Ontario LIM-AT	Manitoulin-Sudbury LICO-AT	Ontario LICO-AT
Prevalence of low income (%)	14.4	14.4	4.3	9.8
0 to 17 years (%)	17.8	18.4	6.0	11.5
0 to 5 years (%)	20.3	19.8	6.0	12.3

This table shows that according to LICO, 4.3% of the population in Manitoulin-Sudbury are low-income compared to 9.8% of the population in Ontario as a whole. This means that Manitoulin-Sudbury receives proportionately less low-income funding compared to other places in the province.

If LIM was used instead, the percentage of population in low-income in Manitoulin-Sudbury and Ontario are the same at 14.4%. This means Manitoulin-Sudbury would receive low-income funding that is on par with the provincial average. The dollar value given per family would drop a bit, but Manitoulin-Sudbury would still receive more dollars than you currently get. This would be the same in other areas of the north as well.

Conclusion

The Manitoulin-Sudbury DSB and the member municipalities that are part of the Manitoulin-Sudbury DSB recognize the importance of quality and affordable child care programs and the positive impacts that such programs have on community well-being and creating inclusive communities.

If the Ministry of Education adopted the use of the LIM instead of the current LICO it would better and more accurately reflect level of poverty faced by families in Ontario.