

ONTARIO 360 – EARLY CHILDHOOD EDUCATION AND CARE – TRANSITION BRIEFING

A new strategy to expand high-quality and affordable early childhood education and care in Ontario

Issue: child care demands far outstrip supply

Ontario families face enormous challenges in finding and paying for early childhood education and care (ECEC) services. The province has the highest child care fees in Canada – with Ontario parents paying an average of \$1,236 per month for infant care and as much as \$1,758 in Toronto.¹ These prohibitive costs can have various economic and social consequences – particularly for low income families. Although Ontario’s child care subsidy system is comparatively generous and accommodates a wider range of incomes than in other provinces, it is not an entitlement and families can wait a long time to secure a subsidy. Research has demonstrated that addressing high costs and long waitlists for ECEC services can improve childhood outcomes and also maternal labour market participation.

Therefore, the incoming government will need to enact a robust strategy to expand access to high-quality, affordable child care in Ontario – including (1) a path to oversight and licensing of unlicensed home child care providers, (2) more seamless day programming at schools, (3) higher wages and better professional development for child care providers, and (4) an update to the current parameters of subsidy benefits including relaxing work requirements for low-income families.

Overview: Ontario’s current child care model

There are four main types of child care in Ontario: (1) licensed child care centres, (2) before- and after-school programs, (3) licensed home child care, and (4) unlicensed home care.

¹ Laurie Monsebraaten, “Parents want child care to be provincial election issue,” Toronto Star, February 21, 2018. Available at: <https://www.thestar.com/news/gta/2018/02/21/parents-want-child-care-to-be-provincial-election-issue.html>.

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The province has made some progress in building new child care spaces and expanding school-based programming. Provincial and municipal spending on child care has almost tripled since 2003 to more than \$1.44 billion, and the number of licensed child care spaces has doubled to more than 406,000.²

Yet, high costs and waitlists persist. A 2017 study by the Canadian Centre for Policy Alternatives found that child care fees are still rising faster than inflation and that Ontario cities such as Toronto, Mississauga, Brampton, Vaughan, Markham, London, and Ottawa remain among the costliest for child care in the country.³

Due to these high costs and long wait times in the first three types of child care, many families must turn to unlicensed child care (the exact number of which is unknown). The Ontario government enacted a new law and accompanying regulations to establish better standards for unlicensed providers in 2014. *The Child Care and Early Years Act* set out, among other provisions, new rules for the number of children in care at any given time and new oversight and compliance measures to incentivize licensing. But licensing remains optional in Ontario and every other Canadian jurisdiction.

The upshot is that, despite some progress, the steady demand for child care is putting tremendous strain on the province's current capacity. New funding commitments from the federal and provincial governments (including in last month's budget) foretell further progress. But the needs are significant, and the level and affordability of care differs a great deal across the province. Incremental resources are a necessary yet insufficient condition for better child care quality and higher maternal labour force participation.

2 Gordon Cleveland, "Affordable for All: Making Licensed Child Care Affordable in Ontario: Final Report," prepared for Ontario Ministry of Education, Appendix C, February 2018, unpublished.

3 David Macdonald and Martha Friendly, "Time Out: Child care fees in Canada 2017," CCPA, December 2017. Available at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2017/12/Time%20Out.pdf>.

The need for reform

The case for reform is thus clear. But there are different factors that must be considered in developing an evidence-based ECEC strategy. Expanding access to these services can exacerbate other inequalities if attention is not paid to issues of cost and quality. For example, in Quebec where costs are low for everyone, children from low-income families are still more likely to be in lower quality care even though they would benefit most from high-quality care. On the other hand, attempts to reduce the cost of care for parents can negatively affect the wages of the predominantly female ECEC workforce. Any proposals to expand the ECEC system must therefore factor in issues of affordability across income groups, quality of services, and the (still) deeply gendered aspects of care work.

The central goal that many have discussed is to increase the availability of high quality centre-based spaces for children and to make that care affordable. The current government's recently-announced scheme to offer free full-day licensed child care to all children starting at age 2.5 until kindergarten is an ambitious proposal that goes part of the way to building child care for all families who desire it. Research in Canada^{4,5} and elsewhere⁶ has shown that centre-based care is generally of higher quality than home child care and policy makers should keep the goal of creating more high-quality spaces top of mind. Yet, even if the current proposal were to be implemented, it would not cover all child care needs, especially for infants and toddlers. There is not sufficient capacity within the system to accommodate the kind of demand that government-funded infant and toddler child care would generate, and access for low income families would suffer most.

4 Christa Japel, Richard E. Tremblay, and Sylvana Côté, "Quality Counts! Assessing the Quality of Daycare Services Based on the Quebec Longitudinal Study of Child Development," IRPP Choices, Volume 11, Issue 5, 2005. Available at <http://www.irpp.org/choices/archive/vol11no5.pdf>.

5 Hillel Goelman, Gillian Doherty, Donna S. Lero, Annette Lagrange, & Jocelyne Tougas, "Caring and Learning Environments: Quality in Child Care Centres across Canada.:" You Bet I Care! Centre for Families, Work and Well-Being, University of Guelph, Canada, 2000.

6 Daphna Bassok, Maria Fitzpatrick, Erica Greenberg, and Susanna Loeb, "Within-and Between-Sector Quality Differences in Early Childhood Education and Care." Child Development, 87 (2016), 1627-1645.

How to move forward

Taking into account concerns about access, quality, and equity, we propose four policy solutions that complement current proposals to improve ECEC services in the Province of Ontario. Think of it as a four-point plan for an evidence-based ECEC strategy for Ontario.

First, even if the current Ontario budget proposal were fully implemented, families will still need to rely on home child care, a portion of which is unlicensed. To improve the quality of home child care as soon as possible, we propose that the government create a path to individual licensing and oversight for home child care in Ontario and require that all such care be licensed, no matter the age of the child. The shortage of infant child care centre spaces in particular has pushed many families to use home child care. And unlicensed care – because it is the least expensive – may be the only available option.

Currently, the only way for a home child care provider to get licensed is through a provincially licensed home child care agency which acts as an umbrella organization providing oversight and support. However, agency licensing is expensive and for various reasons many providers opt out of that pathway as they can operate legally without a license. Even dog walkers who walk four to six dogs in Toronto need a permit to operate, yet a home child care provider does not. The lack of oversight is especially troublesome as providers care for children who are, by virtue of their age, a vulnerable group.

For this model to be successful, it is imperative that licensing be coupled with a strong oversight and support framework. To be licenced, we propose that all home child care providers must undergo annual health and safety checks including an in-home quality assessment conducted by independent, trained observers, and participate in regular visits at a nearby centre such as an Early Years and Child care Centre. The centre staff would provide professional development opportunities, be able to observe and support each child's development, and conduct in-home visits. Elsewhere⁷ we have developed a

⁷ Petr Varmuza, Michal Perlman, and Linda A. White, "What Kinds of Child Care Do Canadian Parents Use? Implications for Demand and Oversight." Paper presented at the Atkinson

model that demonstrates that the cost of administering this licensing and support system would be much lower on a per provider basis than the costs associated with the current agency model. While this proposal disrupts the status quo, surely greater support and accountability in the delivery of services for children and families is something that people from across the political spectrum can get behind.

Second, we suggest the Province adopt the 2009 Pascal Report recommendation that all school boards provide extended day programs as part of a “seamless day.”⁸ This recommendation builds on the existing school infrastructure as well as the talents of trained early childhood educators. Some Ontario school boards, such as Waterloo Region District School Board, have already created seamless day programs, where early childhood educators who teach in the kindergarten classrooms also run the schools’ programs operating outside school hours from 7 am to 6 pm. As of September 2017, all Ontario school boards have been required to offer before and after school programs for students in kindergarten to Grade Six where there is sufficient demand. But most boards still contract with third party providers and spaces are scarce, especially in large urban centres such as Toronto where long waitlists mean not all parents who want a space for their child can get one.

Third, as a complement to these two proposals, we argue for further wage enhancements to child care providers tied to improved training and professional development. Women – often immigrants and women of color – are the vast majority of ECEC workers.⁹ This sector has long been underpaid.¹⁰ As a society we have not valued the work that other people do to care for our children. If we truly wish to invest in ECEC, increased professional

Summer Institute, Toronto, 2 June 2017. Online:

http://www.oise.utoronto.ca/atkinson/Events/2017_Events/Summer_Institute_2017/index.html.

⁸ Charles Pascal, “With our Best Future in Mind: Implementing Early Learning in Ontario,”

Report to the Premier by the Special Advisor on Early Learning, 2009. Available at:

http://ywcacanada.ca/data/research_docs/00000001.pdf.

⁹ Paul Irish, “Men stand out as daycare workers,” Toronto Star, February 7, 2013. Available at:

https://www.thestar.com/life/parent/2013/02/07/men_stand_out_as_daycare_workers.html.

¹⁰ A 2016 survey found that those working in full-day kindergarten earn between \$20 and \$26 an hour and those in the community where median wages are about \$16.30 an hour. Laurie Monsebraaten, “Daycare workers getting second pay raise in two years,” Toronto Star, January 22, 2016. Available at: <https://www.thestar.com/news/canada/2016/01/22/daycare-workers-getting-second-pay-raise-in-two-years.html>.

development accompanied by higher wages would improve the quality of care provided to children. It would also take a step towards addressing a major source of pay inequities in Ontario, as women tend to be clustered in the province's lowest paying sectors, child care being one of them.

Fourth, increased affordability of high quality child care is essential to improving work force participation, gender equity and better child outcomes. However, increased affordability without accompanying system growth presents a danger that demand will far outpace availability and would negatively affect those children and families who would benefit most from access to high quality care. None of the components described above can be introduced in isolation, nor can they be achieved instantly.

Thus, a planned transition should focus on those least able to afford child care now. As the supply of physical spaces increases, so could the range of families directly benefiting from affordable child care. In the short term, improved affordability could be accomplished simply by updating the parameters of the current subsidy income test that remain unchanged since its inception more than a decade ago. This should be accompanied by removing the employment activity requirement for parents whose income falls below the poverty line. This will ensure that children who can benefit most from high quality ECEC services receive them and it will eliminate the instability that is caused if these parents lose their job – and their child care benefits – before they are able to find other employment.

If we want to provide the Province's children – from every neighborhood and circumstance – with adequate care, then we should build out “spokes” from the “hubs” of already existing community and public programs – such as schools, community centres, and early years centres. Our policy recommendations offer four such spokes. Making progress on child care solutions not only improves the lives of children but also enables women – who even today are still expected to shoulder the vast majority of child care – to participate actively in the work force.

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