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**REPORT TITLE:**     **Advocacy to Address Challenges Facing Early Years and Child Care**

**FROM:**               Sean Baird, Commissioner of Human Services

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## **RECOMMENDATION**

- 1. That the priorities outlined in the report from the Commissioner of Human Services, listed on the July 7, 2022 Regional Council agenda titled “Advocacy to Address Challenges Facing Early Years and Child Care” be endorsed; and**
- 2. That the subject priorities be incorporated into the Region of Peel’s ongoing advocacy efforts with the appropriate levels of the federal and provincial governments.**

## **REPORT HIGHLIGHTS**

- The Canada-Wide Early Learning and Child Care (CWELCC) plan has the potential to deliver tremendous benefits for families and for the Peel community, however there are some risks and challenges to implementing it.
- Advocacy is required to mitigate these risks, to ensure that vulnerable families will have equitable access to licensed child care, and to ensure that Peel continues to have a stable, affordable and equitable child care system now and in the future.
- Key advocacy priorities include:
  - Fair and flexible funding for Peel to meet local needs
  - Support and funding to address Early Childhood Educator workforce crisis
  - Capital funding, flexibility and collaboration
  - Ensuring vulnerable families have equitable access to licensed child care
- With Council endorsement of this report, staff will support advocacy activities to advance these priorities with the federal and provincial governments, where appropriate.

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## **DISCUSSION**

### **1. Background**

The March 28, 2022 announcement about a new Canada-Wide Early Learning and Child Care (CWELCC) plan was welcomed and exciting news for families and the child care sector. The CWELCC plan intends to provide families with a 25 per cent reduction in child care fees this year and an additional 25 per cent reduction by January 1, 2023. Further reductions will be realized in September 2024, and then will move toward the goal of an average of \$10-a-day child care by September 2025.

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On May 12, 2022, Regional Council approved the new funding and a plan to hire the required staff to implement the new child care system, as outlined in the report titled “New Canada-Wide Early Learning and Child Care System” (Resolution 2022-400). That report also noted some risks and challenges for realizing the CWELCC goals in Peel. The subject report will outline the advocacy efforts needed for the Region, as service system manager, to mitigate those risks and ensure we have a stable, affordable and equitable child care system.

### 2. Advocacy Priorities

In the May 12, 2022 report titled “New Canada-Wide Early Learning and Child Care System”, staff outlined four key challenges facing families and the child care system in Peel:

- a) Sufficient funding for Peel;
- b) Staffing shortages;
- c) Sufficient licensed child care spaces; and,
- d) Ensuring vulnerable families have equitable access.

To address these challenges, the following proposed advocacy priorities have been identified:

#### a) **Challenge: Sufficient Funding – Fair, Flexible Funding for Peel**

The \$10 a day goal of CWELCC is stated as an average across Ontario and across all types of licensed care (including licensed home child care). Peel, which has comparatively high child care fees, lease costs, and wages, will require adequate funding to achieve \$10 a day child care.

In addition, in April 2022 the Ministry of Education released guidelines to service system managers for the CWELCC funding. In these guidelines the Province put a cap on child care subsidy expenditures and removed the local flexibility to add more child care subsidy spaces if Provincial dollars are available. The CWELCC guidelines specifically state: “*The excess provincial funding, previously used to support the fee subsidy space, may not be used to further expand fee subsidy spaces, but may be reinvested in other child care expenses such as general operating costs<sup>1</sup>.*”

To address funding challenges, it is proposed that the provincial government be asked to:

1. Develop, in consultation with service system managers, a new funding formula that considers local cost differences (including child care fees, lease costs, wages) and key demographic statistics (e.g. Low-Income Measure) to ensure there is equitable access to affordable child care across Ontario.
2. Reinstate flexibility for local service system managers to use provincial funding to support more families living in poverty and meet local needs.

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<sup>1</sup> Ministry of Education. Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (April 2022. P. 37)

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### **b) Challenge: Staffing Shortages – Support to Address Early Childhood Educator (ECE) Workforce Crisis**

As noted in the March 24, 2022, council report titled “Addressing The Child Care Workforce Shortage” (Resolution 2022-178), attracting and retaining ECEs is a serious issue that could slow expansion of the child care sector, lead to a shortage of staffed spaces and ultimately result in waitlists for child care. A 2021 survey indicated that as many as 72 per cent of Peel ECEs are considering leaving the sector<sup>2</sup>. The Region, in cooperation with other GTHA municipalities, is taking steps to mitigate this crisis but the funding for those initiatives expires in March 2023. The ECE workforce crisis is a long-term problem that requires ongoing funding and both provincial and local strategies to address effectively.

Exacerbating the ECE workforce crisis is that Peel school boards often are able to pay wages that are as much as \$28/hour while the wage floor being introduced with CWELCC is \$18/hour with a \$1/hour increase per year until 2026. This means the school boards may attract ECEs who would otherwise be working in licensed child care.

This CWELCC wage funding includes different rules and requirements compared to the existing Provincial Wage Enhancement program. Consolidating all provincial wage funding programs would better support the objective of recruiting and retaining ECEs, reduce the likelihood of losing ECEs to school boards, and reduce the administrative burden on providers which is already a disincentive to participating in the new CWELCC program.

To address staffing challenges, it is proposed that the provincial government be asked to:

1. Consolidate all Provincial wage funding programs and align requirements into the single, consistent wage program and provide local flexibility to fund wages that are appropriate for attracting and retaining ECEs.
2. Take steps to ensure that ECEs in the licensed child care system are paid comparable wages to their counterparts doing the same job with the school board system.
3. Provide ongoing funding for service system managers to address the local workforce crisis and develop a Provincial strategy to address ECE labour market shortages.

### **c) Challenge: Sufficient Licensed Child Care Spaces – Funding Flexibility and Collaboration for Capital Funding**

The reduced cost of child care is anticipated to result in a significant increase in demand. To ensure families will have access to affordable licensed child care through the CWELCC funding, staff estimate that Peel will need approximately 40,000 additional spaces for children birth to five years old, over the next four years to meet increased demand.

To mitigate a shortage of child care spaces, staff is working with local municipalities, school boards and child care providers to look for opportunities to increase licensed

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<sup>2</sup> Association of Early Childhood Educators Ontario and Ontario Coalition for Better Child Care. Forgotten\_on\_the\_frontline.pdf (nationbuilder.com)

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spaces. Without sufficient and flexible capital funding to expand child care spaces there will be waitlists for child care.

To address challenges related to sufficient spaces, it is proposed that the federal, provincial and municipal governments be asked to:

1. Provide sufficient capital dollars to expand licensed child care spaces as well as the flexibility to carryover funding across multiple years.
2. Ensure continued cooperation between the Region of Peel and local municipalities to prioritize child care expansion by leveraging existing or new municipal spaces, and co-locating child care with other city services.

### d) Challenge: Equitable Access for Vulnerable Families – Remove Barriers to Access

Staff are concerned that the CWELCC funding guidelines create unfair obstacles for vulnerable families. The Ministry of Education, in the CWELCC funding guidelines, say: *“Ontario is taking a phased approach to implementing the CWELCC System, with a focus on the immediate objectives of affordability for families and system stability, before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term.”*<sup>3</sup>

The Ministry of Education also says that new child care providers who sign on for the CWELCC funding are **not required** to accept families who require child care subsidy or special needs resourcing. This presents an unfair barrier to access for these families and is contrary to Peel’s standard inclusion practices, endorsed by Regional Council in the report titled “Region of Peel Early Learning and Child Care Funding and Policy Framework” (Resolution 2015-518). This is also contrary to the evidence that the long-term return on the investment of publicly funded child care is exponentially greater for these families<sup>4</sup>.

Furthermore, families across Canada will benefit from the significant reductions in child care fees as a result of the CWELCC funding without having any requirements to qualify for the fee reduction aside from attending a participating licensed child care provider. However, families in receipt of child care subsidy in Ontario must apply for subsidy and pay a portion of their monthly child care fee (“parental contribution”) if their household income is greater than \$20,000. This income threshold must be increased as it has not been updated in more than a decade and presents an unfair barrier for low-income families who cannot afford to pay the parental contribution. The fee subsidy income threshold does not reflect the current cost of living or the Low-Income Measure defined by Statistics Canada which was \$53,140 for 2020<sup>5</sup>.

To address equitable access challenges, it is proposed that the provincial government:

1. Remove restrictions in the current CWELCC guidelines so service system managers can require providers who are receiving public funding to support and include families who require child care subsidy and special needs resources.

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<sup>3</sup> Ministry of Education. Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (April 2022. P.6)

<sup>4</sup> TD Economics, “Early Childhood Education has Widespread and Long-Lasting Benefits”, November 27, 2012, [https://www.td.com/document/PDF/economics/special/di1112\\_EarlyChildhoodEducation.pdf](https://www.td.com/document/PDF/economics/special/di1112_EarlyChildhoodEducation.pdf)

<sup>5</sup> Table 11-10-0232-01 Low-income measure (LIM) thresholds by income source and household size

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2. Increase the child care subsidy income threshold to align with the Low-Income Measure-After Tax so families with low-incomes can receive full fee subsidy without the need for a parental contribution.

### PROPOSED NEXT STEPS

With Council's endorsement of the advocacy priorities outlined in this report, staff will work with Government Relations staff, the Government Relations Committee, our colleagues in other municipalities, the Ontario Municipal Social Services Association and other organizations to achieve the required changes and amendments from the provincial and federal governments.

This would include advancing these priorities as part of advocacy activities at events such as the Association of Ontario Municipalities annual conference, MP and MPP meetings, as well as ongoing work at the staff level with the Ministry of Education and other pertinent ministries.

### RISK CONSIDERATIONS

There are several risks to consider if the advocacy priorities and asks outlined in this report are not endorsed and championed:

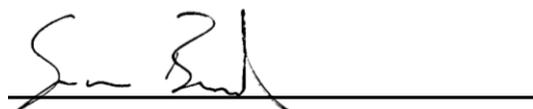
- Achieving the goals of the CWELCC plan in Peel may not be fully achieved.
- There will be a shortage of child care spaces and staff that will lead to many families being on waitlists for child care.
- The cap on child care subsidy expenditures may also lead to waitlists.
- Without access to affordable child care for all families, people will not be able to enter the workforce and provide relief for the growing labour shortages.
- Affordable child care may not be available for the most vulnerable families, who would benefit most and who represent the best return on this investment of public funds.
- Limiting the access of families who require child care subsidy or special needs resourcing supports to child care spaces could lead to human rights complaints against providers and the Region as service system manager.
- Preventing low-income families from accessing affordable child care would be a missed opportunity to reduce the need for other social services such as Housing and Employment Services as access to licensed child care allows labour market participation opens doors resulting in a reduced need for services.

### FINANCIAL IMPLICATIONS

There are no financial implications of adopting the recommendations in this report. Activities will be conducted as part of the Region's ongoing advocacy efforts to all levels of government.

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Sean Baird, Commissioner of Human Services