

Early childhood education and care in Toronto:



FUNDING THE FUTURE

Summary

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This paper was commissioned by the City of Toronto to provide background research on child care funding models and to review current early childhood education and care (ECEC) funding arrangements. Its intent is to guide discussions with the province on more flexible funding models intended to ensure the stability, affordability and quality of child care.

The paper describes the City of Toronto's historic leadership in ECEC and its adept approach to public management. It observes that regulated child care in the City of Toronto is now reaching a critical point and that although Toronto has long been known for its effective approach to child care planning and management, the City's capacity to manage the local child care situation is increasingly limited by circumstances beyond its control. The paper concludes that child care funding arrangements in Ontario are neither rational nor functional and should be re-examined. Describing alternative approaches to funding, planning and service organization taken in Canada and elsewhere in some detail, it makes recommendations both for immediate action and for short and medium term reform.

It is with these things in mind that the following recommendations are proposed:

Recommendations to the provincial government:

1. As an urgent priority and first step, establish a process for annual indexation of provincial child care transfers to municipalities in order to stabilize municipal capacity to manage and sustain child care services.
2. In the immediate and longer term, Ontario should review child care funding in light of implications of the province-wide move to Full-Day Early Learning for the viability and sustainability of needed child care services. Families and children across Ontario need a full range of care services for children 0-12 years. Without a new funding model that adequately reflects the anticipated fee increases in child care services, the viability in the immediate and longer term of child care services across age groups will be severely undermined not only in Toronto but across the province.
3. As the senior level of government with constitutional responsibility for education and social services, Ontario should develop a comprehensive policy framework to support an evidence-based province-wide public management approach to the range of early childhood education and care for children aged 0-12 encompassing child care, kindergarten and parent support. The provincial approach should follow best practices and use the best available evidence from research and policy analysis. The approach should include: a predictable multi year approach to planning and funding, clear goals and objectives, clear roles and responsibilities; identified targets and timetables; sustained financial commitments; collaboration with stakeholders including municipalities and the ECEC community; transparency and public accountability measures; quality goals, improvement and assurance; data collection, analysis and ongoing evaluation to determine and improve policy and programs.



4. The Ontario government should facilitate assumption of more autonomy by the City of Toronto, as Municipal Service Manager, in managing the multiple complex of separate child care funding streams to be able to tailor the available funds to meet the City's needs as identified in its service plans.
5. The Ontario government should facilitate decision making by the City of Toronto, as Municipal Service Manager, about where, for whom and what kinds of new child care services are granted provincial licenses within the City of Toronto.
6. In the short term, Ontario should consider a moratorium on new for-profit child care development until a fuller and comprehensive policy approach to ECEC is in place. In the longer term, Ontario should adopt public policy based on publicly-delivered and not-for-profit ECEC programs within a Ministry of Education. One option for this policy would be one that is consistent with the proposals outlined in *With our best future in mind*.
7. As part of a rationalized, planned and sustained approach to ECEC, Ontario should fully review and reconsider the full range of funds that could be available for funding ECEC programs, keeping in mind the economic stimulus benefits of high quality ECEC programs as described by Fairholm (2010) as well as the needs and human rights of Ontario children and families. Ontario should begin to set long and short term financial targets that are in line with the best available evidence and commensurate with its goals for ECEC programs to meet 21st century needs. A target of at least 1% of GDP by 2020 as proposed by UNICEF (2008) for ECEC for children up to age six would a good place to start.

Recommendations to the City of Toronto

8. Toronto should explore the feasibility of setting maximum City-wide parent fees using the knowledge and experience available from the other Canadian jurisdictions that have adopted this approach as described in this paper (Quebec, Manitoba, PEI) and in consultation with the ECEC community and parents. This would contribute to the City's capacity for more effective public management and the possibility of rationalizing and better steering ECEC in the City of Toronto. Legal and equity issues would need to be addressed. This approach would only be effective if funding were augmented and indexed.
9. The City of Toronto should explore the feasibility of establishing a City-wide salary scale for child care staff using the knowledge and expertise available from the other jurisdictions that have adopted this approach as described in this paper (Manitoba, PEI). This should be done by building on the City's existing salary guidelines and in collaboration with service providers, unions representing staff, key organizations and other stakeholders, as other jurisdictions have done. A salary scale as a tool would contribute to the City's capacity for effective public management and the possibility of rationalizing and sustaining ECEC in the City. Legal and equity issues would need to be addressed. This kind of approach would only be effective if funding were augmented and indexed.

10. A City of Toronto pilot project examining the feasibility of a base-funded system approach to public and not-for-profit child care services should be considered. This could mean shifting away from treating child care services as individual entities each of which must make up its own budget from a combination of fees, subsidies and grants to a funding formula-based approach as used in Sweden, the TDSB and – to some extent – Quebec, Manitoba and PEI. This would shift “viability” from a market-based definition – whereby viability depends on a series of arbitrary circumstances rather than community need – to one that would increase predictability for child care service providers and parents, as well as improving the Municipal Service Manager’s capacity to “steer” ECEC.

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