

**Deputation to Economic & Community Development Committee – November 28, 2023**  
**Re: EC8.10 – Growth and Expansion in Toronto’s Licensed Child Care Sector: Update**  
**Child Care TO: Save it. Fund it. Build it. – Donna Spreitzer, TCBC**

Thank you for allowing me to speak. My name is Donna Spreitzer and I am a contract faculty member at George Brown College’s School of Early Childhood and I serve as the Executive Director of the Toronto Community for Better Child Care. For nearly 2 decades prior, I was the Supervisor of Jackman Community Daycare, a large, non-profit, school-based child care centre.

I’d like to start by saying that I support the recommendations outlined in the Report and thank Children’s Services for bringing these issues to the Committee’s attention. The CWELCC agreement is an opportunity to grow the system and reduce child care costs for parents. Child Care operators are counting on the City of Toronto to continue to stand up for child care workers and call on the Province to adjust the funding formula so it reflects the true costs of child care.

TCBC members are non-profit child care centres and most are reporting year-end deficits. Centre 2024 budgets will include real cost expenses and increased staff wages with no assurance of receiving the necessary revenue for next year. Non-profit child care centres are independent corporations, yet under CWELCC, they no longer have any control of their revenue as fees have been frozen. I recently spoke with an accountant who is an independent auditor of over a hundred stand-alone, not-for-profit child care centres.

In their 20 years of performing audits, they said that for child care centres that have opted into the CWELCC, and who primarily serve CWELCC-eligible children, the current financial landscape is as dire as they have seen. They specifically referenced that the combination of *frozen fees* for CWELCC-eligible children combined with soaring costs - primarily for staffing - results in a business plan that is not viable.

*Frozen fees* in this case means that the CWELCC forbids child care centres from charging fees at a rate higher than the fee that was charged

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in March 2022. This means that fees per child stays flat while costs increase.

They added that any reference to “additional CWELCC funding” being a remedy for bridging this gap - *in this specific situation* - is both immaterial and ignorant to the fundamentals of a viable business plan. They added that for the first time in their memory, Toronto Children’s Services is accepting deficit budgets for 2024, without having adequate knowledge of the child care centre’s *current* financial health. This is a dangerous business practice.

They also reminded me that at its core, CWELCC is a funding model for *parents*, not for child care centres. CWELCC does not propose to address the *actual* cost of running a child care centre but is rather a vehicle for reducing the fee that a parent pays for a CWELCC eligible child. They indicated that this is a fundamental misunderstanding for boards and management of stand-alone not-for-profit child care centres, who have opted into the CWELCC and who primarily service CWELCC eligible children.

They finished by saying that in this specific situation described, it is only a matter of time (some much sooner than later) that child care centres become insolvent and fail. While CWELCC appears to have provided great financial relief to a significant number of parents, it has also presented a significant existential threat to the very child care centres that service them.

I am not exaggerating. This crisis is real.

While growing the system is key to addressing the City’s Growth Strategy, the City must simultaneously ensure that every single licensed child care space is full. The Globe & Mail recently reported that none of the Y’s centres are operating at full capacity. They went on to say the Y would need 3000 more staff. The Ministry reported that Ontario could be short 8,500 ECEs within 3 years.

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This means more children on wait lists and causes extreme strain on families. So what can be done to fix this?

A proper wage scale for ECEs and Assistants is the only way we can hire and retain staff.

Here are some wage Stats: The province announced on November 16th that they are raising the ECE wage floor from \$20/hour to \$23.86/hour. This 19.3% increase may be welcome in Timmons and by for profit centres; however, it will do nothing to alleviate the pressures on non-profit centres in the City which by and large have already been paying their staff wages above this floor.

The City’s and TDSB’s wage grids indicate that ECEs are worth \$31 to \$40 per hour. Child Care Centres should therefore be allowed to submit a budget for their full costs in 2024, including increasing wages at City rates. The City already pays these wages. The TDSB pays these wages. All child care centres in the city should be able to pay staff these wages.

If government does not remove the fee freeze and address the wage irregularities, this crisis will destabilize the sector.

It’s not right. It’s not fair. And it’s not working.

In conclusion, we are calling on Toronto to help the child care community address the shortfalls of the provincial CWELCC rollout.

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Thank you.

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**Appendix 1**

**Wage Grids in Ontario**

<b>Child Care Staff Wages 2024</b>	<b>Provincial Wage FLOOR</b>	<b>City of Toronto Wage Grid</b>	<b>TDSB Wages</b>	<b>OPSEU Wages at Community Colleges</b>
Untrained Staff / Assistant	\$16.55	31.67 to 34.72		26.21 to 30.39
ECE Grade 2	23.86 to 26.00	33.34 to 36.55	31.22 to 33.97	33.05 to 38.37
ECE Grade 1 / program lead	23.86 to 26.00	37.11 to 40.65	36.74	35.83 to 41.52
Centre Supervisor	24.86 to 29.00	51.37 to 65.54		

ECE Wage gap between Province & City is 40%-56%

ECE Wage gap between Province and TDSB is 30%-41%

Supervisor wage gap between Province and City is 106% to 126%

**Appendix 2:**

Quality leads me to comment on the City’s recommendation to expand AQI to all child care operators participating in CWELCC. The TCBC fully supports all centres, both profit and non-profit, being held to high quality standards; however, there is a caveat to this support. Since its inception, AQI’s **implementation** has been hugely problematic within the childcare community. Therefore, no new money should be spent on AQI inspections and the community would welcome an opportunity to meet with city staff in the new year to review and improve the implementation process.