



Date: January 24, 2024

To: City of Toronto Budget Committee buc@toronto.ca
Councillor Shelley Carroll, Budget Committee Chair councillor_carroll@toronto.ca

cc: Mayor Olivia Chow mayor_chow@toronto.ca
Councillor Alejandra Bravo, Chair ECDC Committee councillor_bravo@toronto.ca
Councillor Brad Bradford councillor_bradford@toronto.ca

From: June Hall, Main Square Day Care Centre, msdcjune@bellnet.ca

Dear Committee Chair Shelley Carroll, et al:

Thank you to the Budget Committee for welcoming comments from the public, and to the city staff and politicians for working so hard to create a City Budget that supports the citizens of Toronto. My name is June Hall. I am the Director of Main Square Day Care Centre.

First, we commend the City & the team at Children's Services for preserving service levels in this budget. As a homeowner, as well as a child care advocate, I support the City's proposal to increase property taxes to help cover city services that protect our most vulnerable citizens. We must invest into our city, and this budget is a good start.

High quality, affordable, accessible child care is critically important for children and families, achieving equity for women and communities, and the economic success of Toronto. We must continue investments from all levels of government to ensure all neighbourhoods and families will benefit from this important service.

I would like to comment on the adequacy of the City operating and capital budget, and the need for greater investment from the Federal and Provincial governments. With the introduction of the Canada-Wide Early Learning and Child Care Agreement and funding, also known as CWELCC and \$10 a day daycare, the Children's Service's budget is now one of the largest base budgets in the city.

Both the provincial and federal governments are now responsible for subsidizing child care, along with City cost-sharing. The federal government has transferred significant funding to pay for the 50% fee reductions for all families. This is intended to go to \$12 in Toronto by 2026. This federal funding is transferred to municipalities through the Province, who, in turn allocates it to child care centres. Regrettably, the "fee replacement" funding given to centres is based on fees frozen at 2022 rates. In addition, the Province has provided a cost inflation factor of only 2.1%, which is inadequate to cover increased salary pressures and inflationary costs our centres are facing. Wage funding under the Provincial "workforce strategy" is also inadequate and will only benefit about a third of Toronto's child care workforce. This funding has yet to be confirmed, adding to greater uncertainty.

Child care centres submit budget requests to the City in November, but do not know what costs will be covered until well into the first quarter. Centres struggle to maintain financial viability as they wait for final budget approvals, often with cash flow challenges and deficits looming.

The CWELCC program provides welcomed new increased funding each year until 2026. However, the way

Ontario is rolling out the program has posed challenges. Ontario has not committed new funding for child care, either freezing or reducing contributions. In fact, the 2024 allocations eliminated \$24M in Transition Funding, placing even greater pressure on municipal system managers.

Toronto needs additional funding and policy changes from both the Ontario and Federal governments to ensure the success of the CWELCC program.

Toronto's child care sector needs:

- Increased wages to address continued staff shortages and provide real wage and benefit improvements that achieve parity with the public sector
- increased operating funding to cover the real cost of inflation for child care centres
- capital funding to build new centres to ensure equitable access to affordable child care for all communities.
- approval of provincial funding for new child care centres in schools in underserved areas of the city

We are hopeful that the City's current budget will support the budget requests of Toronto's purchase of service child care sector; however, it is unknown at this point if it will.

We have specific recommendations for the Mayor and Council:

The City reinforce previous recommendations of City Council and report out further on provincial and federal funding:

We recommend the City:

- 1. Call on the provincial government to recognize and fund the actual cost of child care in Toronto, and restore the \$24M cut in provincial funding;**
- 2. Create an implementation plan to increase child care wages to achieve parity with public sector staff to address the workforce shortage;**
- 3. Report to the Economic and Community Development Committee and the proposed Child Care Roundtable with an update on the 2024 provincial and federal funding and the impacts on the child care sector, and the new proposed Funding Formula;**
- 4. Call for Federal and Provincial funding to support the growth targets of the City.**

The child care community wants to work collaboratively with Children's Services and the city. We know staff are doing their best to work with the sector. We will expect the city to work with the province to secure adequate funding. At the end of the day, if centre budgets are not covered, the city will have to consider how they will support child care centres.

Save It – Fund It – Build It. This is our ask!

Sincerely,

June Hall
Director
Main Square Day Care Centre