



November 26, 2024

Chair and Members
Economic and Community Development Committee

RE: EC 17.5: Implementation of the Canada-wide Early Learning and Child Care System

Toronto Child Care Advocates (TCCA) is pleased to submit our comments and recommendations with respect to this Report. We wish to thank the Chair, Alejandra Bravo, and members of the Committee for their continued support for high quality, not-for-profit and public child care.

We also wish to acknowledge the work of the Children's Services Division, and the comprehensive and informative report before you today.

CWELCC: Protecting its Future

TCCA supports the Canada-Wide Early Learning and Child Care Program (CWELCC.) CWELCC offers the opportunity to build a universally accessible early learning and child care system for all Toronto children and families. It has the potential to enhance child development, support equity for women, low-income and under-employed parents, Indigenous, Black and Disability communities, and serve historically underserved neighbourhoods.

We are concerned, however, that in the current political environment the program is at risk. Conservative politicians and a growing commercial sector are actively proposing alternatives that would turn back the clock, and enhance a private, market-driven model of care.

We believe advocacy and support, from both the community and the City of Toronto, is key to saving the CWELCC program. Our members, and advocates across the country, are working hard to organize and campaign to protect and enhance CWELCC for the future and look forward to working with you to achieve its vision.

Ontario's Implementation has Promise and Challenges

A strong majority of centres have joined CWELCC and support its continuation. In Toronto, 92% of not-for-profit and public centres and 72% of for-profit centres have opted in to CWELCC as of October 2024. While this represents strong support for the program, there are significant challenges that remain unaddressed and threaten its future success.

1. The Ontario "Funding Formula"

The staff report provides an excellent analysis of the recently released Ministry of Education "cost-based" funding formula guidelines. Parent fees will be reduced to \$22 per day and a new "cost-based" model that replaces the inadequate "fee replacement" approach will begin in 2025.

As the report describes, the model is designed to establish "benchmark" costs that reflect the median costs of child care centres in Ontario based on a 2023 survey. It assumes 50% of centres operate above

and 50% below the benchmarks. As the system transitions to a standard benchmark cost, a geographic adjustment factor, “top up” funds and “allocation in lieu of profit/surplus of 8.4%” and flexibility between expense categories are intended, together, to cover costs above the benchmarks in Toronto.

In addition, the province is providing “local priorities funding” for school age programs, subsidies and special needs supports, as well as new accountability measures.

The actual provincial allocations for 2025 and 2026 (and beyond) are not yet known. It will be tremendously important for the funding formula to ensure that child care programs in Toronto can continue to pay for increased salaries and other expenditures in coming years.

TCCCA Recommends that the City:

- Strengthen intergovernmental advocacy, on an urgent basis through discussions on the renewed Canada-Ontario Action Plan and the 2025/26 Provincial budget, to recognize the true cost of high quality care in Toronto, with funding formula benchmarks and funding streams that ensure adequate, predictable, multi-year operating and capital allocations

2. Growth and Capital Funding

The report correctly points out that there are long waiting lists for child care across the City because of greater affordability and increasing demand.

The number of new CWELCC supported expansion spaces created since 2023 is only 1,728 – still leaving Toronto far short of its target of 18,177 spaces by 2026. As well, 36.5% of these new spaces are in the for-profit sector, exceeding the 20% ratio required under the Canada-Ontario agreement.

The report identifies one of the major barriers to expansion in the not-for-profit sector is the lack of capital funding. Ontario provides only minimal start-up grants to purchase toys and equipment once a child care centre has been built.

The provincial government has cancelled approved capital funds for **48 child care centres** scheduled to be built in Toronto schools. This represents a loss of over **3,083 new spaces** mainly in high-need areas.

The availability of operating funding for future expansion is also a concern. “It is not yet clear whether the Province’s new model will provide sufficient operating funding through the cost-based allocation to support the ongoing expansion of high-quality, accessible and inclusive programs.”

TCCA supports recommendation report recommendation 1 and would add the following request of the Provincial and Federal governments:

- Introduce a child care capital growth plan as other provinces have done (e.g. PEI, Nova Scotia, New Brunswick, Quebec, Manitoba, Saskatchewan and BC)
- Release Toronto’s fair share of the federal infrastructure money of \$625 million – already in the province’s possession. This fund for public and non-profit infrastructure was announced by the federal government in 2023 and has not been allocated. Based on population figures, Toronto should be entitled to almost \$50M, or 20% of the provincial share of \$237.5 million. These funds could contribute to solving the child care capital crisis in Toronto

- Reinstate the 3,083 cancelled school board space allocation together with the associated capital and operating dollars; undertake discussion with the Chairs of Toronto school boards and the Mayor to expedite the building of school-based spaces.

TCCA also believes the City has role to play in developing child care spaces in the not-for-profit and public sector, and should:

- Create a dedicated City Child Care Loan program for not-for-profit community-based centres with the understanding that these costs will be paid back through operating funds under the Ministry's new funding formula, and report in the 2nd quarter of 2025 with implementation options.
- Maintain priority for all CWELCC child care start-up and operating funding to not-for-profit and public child care agencies to increase spaces in underserved communities.
- Restore the Child Care Capital Reserve fund and increase capital funding in the 2024 staff recommended 10 yr. Capital plan for Children's Services to support the development of child care facilities in new housing and other city capital projects

3. Workforce and Quality

Glaringly absent in the provinces recent announcements is an effective workforce strategy and funding model that includes a wage and benefits pay grid, and ensures all ELCC workers receive pay, benefits, pensions, workers compensation and decent working conditions that reflect the value of their work. Instead, the province is maintaining a wage floor of \$24.86 per hour for 2025.

TCCA, along with the entire early learning and child care sector have repeatedly urged the province to introduce a wage grid to attract and retain workers and pay all ELCC workers fairly. The wage gap will continue to broaden as new wage settlements in the public sector are negotiated, and provincial benchmarks fail to catch up.

Research over many decades demonstrates that high-quality care is related to consistent, adequate staffing levels, with well-qualified staff. We are concerned that the funding formula benchmarks will provide for only minimum standards for staffing levels and staff qualifications.

TCCA believes that Children's Services must:

- Actively encourage child care operators, particularly those in the for-profit sector, to use any funding and spending flexibility to improve compensation for ELCC staff with the goal of achieving pay equity and parity in wages, benefits, WSIB and working conditions with City of Toronto or other public sector workers, as well as invest in other quality improvements.
- Continue to provide annually the City of Toronto directly operated wage schedule and benefits to purchase-of-service operators as part of the budget process.

4. Equitable Access for Low income Families and Communities

The report identifies increased concern about low-income and other vulnerable families are being excluded from the licensed, child care system as competition for limited \$10 per day spaces increase.

The report also reiterates research findings that “children in high-quality child care...experience greater developmental and early learning gains compared to those in low-quality child care programs.”

While the City supports a universal access to ELCC, it has consistently recognized that targeted approaches in expansion and access to high quality care options is critical to achieving equity goals for children, their families and communities.

With almost 75% of subsidy eligible families paying less than \$10 day, access to high-quality, licensed CWELCC spaces remain beyond the reach of many families. Fee subsidies have been frozen since 2017, and there is limited capacity in many suburban neighbourhoods. Without growth and new approaches to subsidy access, low income, racialized and newcomer families will not experience the benefits of CWELCC.

We support Recommendation 2 for a collaborative approach working with community to “identify strategies that will enhance equitable access to child care for families in receipt of fee subsidy that further address the City’s Poverty Reduction Strategy.”

These strategies could include giving priority to “directed growth” of new high-quality non-profit and public child care spaces in underserved communities; developing new ways to increase access to existing licensed spaces for low income families in high-needs communities; and a centralized wait list to better manage access to achieve equity targets.

We also believe that additional funding from the province for subsidies is urgently required if these new approaches are to be successful.

TCCA supports Recommendation 2, and would add the following new recommendations

- City Council request the General Manager of Children’s Services to update the equity targets and subsidy space tables and maps by Ward, and post monthly on the Children’s Services web site.
- City Council request the Province of Ontario to increase the “Local Priorities” funding stream to ensure subsidies for all new CWELCC spaces and reduce the subsidy waiting list.
- City Council request the Province of Ontario to update fee subsidy eligibility criteria and income ceilings to support workers with non-standard hours and precarious work.

5. Stakeholder Community Roundtable

The report recommends convening another round table to support information sharing and advocacy. While this is welcome, we believe that ongoing information sharing and collaborative advocacy support will strengthen our shared initiatives.

Toronto Child Care Advocates believe it is critical for Toronto to continue its legacy of leadership in advancing child care and early years programs. We look forward to working together.



**Toronto Child Care Advocates
EC 17.5 Summary of Motions**

Add the following new recommendation:

1. City Council request the Mayor and City Manager to strengthen intergovernmental advocacy, on an urgent basis through discussions on the renewed Canada-Ontario Action Plan and the 2025/26 Provincial budget, to recognize the true cost of high quality care in Toronto with funding formula benchmarks and funding streams that ensure ongoing, adequate, multi-year operating and capital allocations.
2. Add to staff Recommendation 1 so it now reads:
City Council request the Provincial and Federal governments to increase capital funding to meet Canada-wide Early Learning and Child Care targets in the not-for-profit and public sector in Toronto; and take the following actions to deal with child care space shortages:
 - a) Introduce a child care capital growth plan as other provinces have done (e.g. PEI, Nova Scotia, New Brunswick, Quebec, Manitoba, Saskatchewan and BC)
 - b) Immediately release the committed federal infrastructure funding of \$625 million, estimated to be \$50M for Toronto.
 - c) Immediately reinstate the 3,083 cancelled school board space allocation together with the associated capital and operating dollars and undertake discussion with the Chairs of Toronto school boards and the Mayor to expedite this outcome.
3. Add the following new recommendation:
City Council request the City Manager and GM of Children's Services to:
 - a) create a dedicated City Child Care Loan program for not-for-profit community-based centres with the understanding that these costs will be paid back through operating funds under the Ministry's new funding formula, and report in the 2nd quarter of 2025 with implementation options.
 - b) Maintain priority for all CWELCC child care start-up and operating funding for not-for-profit and public child care operators.
 - c) Restore the Child Care Capital Reserve fund and increase capital funding in the 2024 staff recommended 10 yr. Capital plan for Children's Services to support the development of child care facilities in new housing and other city capital projects.

4. Add the following new recommendation:

City Council direct the GM of Children's Services to actively encourage child care operators, particularly those in the for-profit sector, to use any funding and spending flexibility to improve compensation for ELCC staff with the goal of achieving pay equity and parity in wages, benefits, WSIB and working conditions with City of Toronto or other public sector workers.

5. Add the following new recommendation:

City Council request the Province of Ontario to increase the "Local Priorities" funding stream to ensure subsidies for all new CWELCC spaces and reduce the subsidy waiting list, and update fee subsidy eligibility criteria and income ceilings to support workers with non-standard hours and precarious work, and support special needs resources.