



**Holly Moran**, Assistant Deputy Minister  
Ministry of Education

Early Years and Child Care Division

By email: [Holly.Moran@ontario.ca](mailto:Holly.Moran@ontario.ca)

**May 5, 2023**

**YWCA Ontario's Reflections on the Canada-Wide Early Learning Child Care 2024 Child Care Funding Formula Discussion Paper**

As a provincial coalition representing 10 YWCAs, which collectively operate more than 3,000 child care spaces in Ontario, the rollout of the Canada-Wide Early Learning and Child Care (CWELCC) plan will significantly impact our organizations and the people we serve.

We appreciate this opportunity to provide input on the province's rollout plan of CWELCC in 2024 as laid out in the CWELCC Funding Formula Discussion Paper, particularly because we share a number of concerns with the province's proposed plans, not least of which is the lack of clarity in the discussion paper in terms of real numbers, as well as the omission of critical considerations related to the administrative burden for operators, building in sustainability and providing culturally-responsive care.

More specifically:

While we support a cost-based formula, the one outlined in the discussion paper does not account for the actual costs of staffing. Rather the discussion paper suggests funding will be determined by regulations outlining the proportion of Registered Early Childhood Educators (RECE) and non-RECE staff. As our partners at the Ontario Nonprofit Network (ONN) have pointed out, this does not reflect the actual costs of staffing and it discourages operators from hiring additional support staff like educational assistants and inclusion facilitators. Given the staffing crisis in the sector (which has been driven by subpar wages and lack of decent work provisions), the proportion of RECE to non-RECE in a child care centre changes constantly. The proposed cost-based formula also discourages operators from hiring RECEs since they are paid more than non-RECEs, and will further exacerbate the staffing crisis. This could lead to fewer



RECE jobs and discourage people from pursuing their education as RECEs, further risking the sustainability of the sector.

### **Operational Days**

We recommend that the maximum number of operational days funded through CWELCC reflect child care centre operational realities – the discussion paper sets the maximum operational days at 260; however, some years that number is 261 or 262. One day of operating funding is a significant cost that operators could not absorb.

### **Staffing Allocation**

We were unable to identify any specific funding allowances for training and professional development – or for coverage for absences related to the same – in the discussion paper. Professional development is a critical component of ensuring the quality of care and up-to-date pedagogy. Also missing were allowances for planning and staff meeting times for RECEs and child care staff, a critical factor in ensuring decent work for child care workers.

Regarding staff compensation, the funding formula does not provide for the significantly increased educator compensation required to address the clear and present recruitment and retention crisis in the sector. The formula's method of assessing the "average wage rate" is unclear and leaves us unsure whether the amounts provided will be sufficient to allow operators to operate smoothly and provide our staff with adequate pay. How will this average be calculated? How does using an average wage rate ensure full coverage of the individualized operating needs of each organization and centre? Further, basing calculations on an average seemingly does not provide room for expansion to address the growing demand for spaces.

We echo the recommendations made by other sector experts, including [Today's Family Early Learning and Child Care](#), calling for a wage grid instead of the "average wage rate" so as to ensure operators can expect staffing allocations at or above the amounts necessary to operate. This wage grid must recognize the qualifications, experience and levels of responsibility of staff.

### **Program Leadership Allocation**

Similarly, to the aforementioned staffing allocations, the program leadership allocation is to be determined based on an average wage rate. We are concerned about what will happen in cases where supervisors make more than the determined average and whether the expectation is that



any cost burden is to be carried by operators, or whether they must take on the administrative burden of applying for more funding each time this discrepancy arises. Further, many operators of larger child care centres employ assistant supervisors – it is unclear whether or not these positions would be considered eligible under the operations allocation. The uncertainty is of great concern as it not only makes planning very difficult for operators but indirectly puts jobs and our operational sustainability at risk.

### **Operations Allocation**

Mandatory Employer Related Costs, benefits and Paid Time Off policies are different across operators. We ask the provincial government for clarity on how these differentiating costs will be taken into consideration in the formula to ensure there is no further administrative or financial burden on operators.

We are concerned by the plan to allocate funding based on operating capacity rather than licensed capacity. Many operators are operating below licensed capacity as a result of the recruitment and retention crisis, yet they still bear costs related to maintaining rooms and unoccupied spaces. Not funding all licensed spaces makes it difficult for operators to hire new staff in order to fill the remaining licensed spaces.

We cannot help but feel the proposed funding formula suggests meeting current operating costs is sufficient. However, it is not. Moving ahead with the current funding formula framework will not address the staffing recruitment and retention crisis being faced by child care operators across the province. Every child care operator in the province can share stories of frantic parents seeking care for their children and being turned away. Further, the province has touted its plan to create 86,000 new child care spaces. Additional operational investments are needed in order to allow operators to expand. [The Financial Accountability Office estimated in its November 2022](#) report that there will only be enough \$10-a-day spaces for 41 per cent of children under the age of six by 2026, while the families of an additional 227,146 children would be left unable to access \$10-a-day child care. We fear the paper's proposal of "funding the minimum" will not build the robust and equitable system envisioned in the original CWELCC agreement with the Federal government.

Further, we do not see consideration in the discussion paper for addressing the increased administrative burden of managing and reconciling CWELCC and non-CWELCC programming. YWCAs across the province have raised concern about the administrative burden brought on by



CWELCC, particularly as it relates to reporting and implementing CWELCC, and noted that they have not received enough funding to support the added administrative costs. We believe there needs to be more consideration regarding how to calculate administrative costs and address the increased administrative burdens operators – particularly multi-service organizations like ours – have been unexpectedly grappling with since the implementation of CWELCC.

### **Accommodations Allocation**

We echo the ONN's recommendations regarding accommodation allocations. Where for-profit operators who own their buildings stand to gain financially from this funding, there must be tight rules to ensure financial accountability and prudence. Without tight rules, we fear the system will become more vulnerable to investors who are more interested in acquiring real estate than providing child care. Like ONN, we recommend that principal payments on mortgages should either not be covered by CWELCC funding or that the province develop a mechanism to acquire interest on the title or a right of first refusal to ensure that these buildings are maintained for the use of child care.

### **Other Considerations Not Mentioned in the Discussion Paper**

There seems to be no incentive to increase the number of subsidized families accessing child care. We fear children on subsidy will be squeezed out, as the Province has not only reduced transfers for subsidies to service managers but also prohibits the use of CWELCC funding to provide more. Further, families requiring subsidies are on the same wait lists as higher-income families, creating the risk of operators choosing not to give spaces to families on subsidies in order to reduce their own administrative burden. The lack of transparency and attention to equity and accessibility is immensely concerning to us. Through CWELCC, fee subsidies remain an important component of addressing affordability for families requiring financial assistance; additional investments are required to meet the needs of low-income families.

The discussion paper does not demonstrate any considerations for ensuring operators are able to adequately support children who have specific requirements. Children who require specific accommodations have the same rights to care and also require more staffing time, more training for staff and more resources. It is unclear whether or not the associated costs with ensuring equitable access for all children have been considered in the funding formula.

We also noted no considerations have been identified for multi-service organizations. Managing CWELCC poses a significant administrative burden and requires retooling reporting and auditing



processes. Multi-service organizations are faced with added labour and cost to administer CWELCC, without enough additional administrative funding, while working to manage many other programs and services, forcing organizations to be stretched beyond their administrative capacity. Multi-service organizations that are taking on greater administrative work to implement CWELCC must have additional funding to ensure they are able to do so successfully and without hindrance to their other services. Further, as we have noted in a [previous letter to the Ontario government](#), the Provincial Wage Enhancement Grant (PWE), that all child care providers are required to apply to, is inequitable. Currently, the PWE only allows for the wage of some staff to be improved and is not permanent – this becomes especially difficult to navigate in multi-service organizations that have unionized staff.

Finally, we saw no mention of ensuring culturally responsive programming – a key tenet of the original CWELCC agreement, and one that requires resources, training and materials. Ensuring culturally responsive programming that meets the needs of our diverse communities is critical – ensuring the costs associated with implementing this program successfully are accounted for is of the utmost concern.

## **Conclusion**

We are pleased to see the Ontario Government moving forward on the path to building a long term, sustainable and accessible CWELCC program. However, as listed above, we have a number of major concerns with the proposed funding formula described by the Ministry of Education in the discussion paper. If we are to build a system that will expand to meet the needs of all children and families, no matter where in Ontario they live, or how much they earn, or the level of needs of the children, then we must see more targeted, meaningful, investments. We must see an emphasis on making RECEs and other child care jobs decent jobs that people can afford to pursue while living with dignity. Simply put, we cannot operate high quality, affordable and universal child care systems without child care staff and we cannot retain and recruit child care staff without ensuring decent work and decent pay.

We thank the Ontario Government for this opportunity to provide feedback and restate our willingness as civil society partners to continue to work with the government to build the best possible future for the CWELCC program and families in Ontario.

Sincerely,



YWCA Cambridge  
YWCA Hamilton  
YW Kitchener-Waterloo  
YWCA Muskoka  
YWCA St. Thomas Elgin  
YWCA Sudbury  
YWCA Toronto

**CC:**

Jess Dixon, MPP Cambridge  
[Jess.Dixon@pc.ola.org](mailto:Jess.Dixon@pc.ola.org)

Catherine Fife, MPP Waterloo  
[CFife-QP@ndp.on.ca](mailto:CFife-QP@ndp.on.ca)

Mike Harris, MPP Kitchener Conestoga  
[Mike.Harris@pc.ola.org](mailto:Mike.Harris@pc.ola.org)

Sam Oosterhoff MPP Niagara West  
[Sam.Oosterhoff@pc.ola.org](mailto:Sam.Oosterhoff@pc.ola.org)

Jennie Stevens MPP St. Catharines  
[JStevens-QP@ndp.on.ca](mailto:JStevens-QP@ndp.on.ca)

Jeff Burch MPP Niagara Centre  
[JBurch-QP@ndp.on.ca](mailto:JBurch-QP@ndp.on.ca)

Wayne Gates MPP Niagara Falls, Niagara on the Lake, Fort Erie  
[WGates-QP@ndp.on.ca](mailto:WGates-QP@ndp.on.ca)

Jill Andrew, MPP Toronto - St. Paul  
[JAndrew-QP@ndp.on.ca](mailto:JAndrew-QP@ndp.on.ca)

Aris Babikian, MPP Scarborough—Agincourt



[Aris.Babikian@pc.ola.org](mailto:Aris.Babikian@pc.ola.org)

Doly Begum, MPP Scarborough Southwest

[DBegum-QP@ndp.on.ca](mailto:DBegum-QP@ndp.on.ca)

Jessica Bell, MPP University—Rosedale

[JBell-QP@ndp.on.ca](mailto:JBell-QP@ndp.on.ca)

Stephanie Bowman, MPP Don Valley West

[sbowman.mpp.co@liberal.ola.org](mailto:sbowman.mpp.co@liberal.ola.org)

Hon. Raymond Sung Joon Cho, MPP Scarborough North

[Raymond.Cho@pc.ola.org](mailto:Raymond.Cho@pc.ola.org)

Hon. Stan Cho, MPP Willowdale

[Stan.Cho@pc.ola.org](mailto:Stan.Cho@pc.ola.org)

Chris Glover, MPP Spadina—Fort York

[CGlover-CO@ndp.on.ca](mailto:CGlover-CO@ndp.on.ca)

Christine Hogarth, MPP Etobicoke—Lakeshore

[Christine.Hogarthco@pc.ola.org](mailto:Christine.Hogarthco@pc.ola.org)

Mitzie Hunter, MPP Scarborough—Guildwood

[mhunter.mpp.co@liberal.ola.org](mailto:mhunter.mpp.co@liberal.ola.org)

Bhutila Karpoche, MPP Parkdale—High Park

[BKarpoche-QP@ndp.on.ca](mailto:BKarpoche-QP@ndp.on.ca)

Vincent Ke, MPP Don Valley North

[Vke-CO@ola.org](mailto:Vke-CO@ola.org)

Robin Martin, MPP Eglinton—Lawrence

[Robin.Martinco@pc.ola.org](mailto:Robin.Martinco@pc.ola.org)



Mary-Margaret McMahon, MPP Beaches—East York

[mmcmahon.mpp.co@liberal.ola.org](mailto:mmcmahon.mpp.co@liberal.ola.org)

Adil Shamji, MPP Don Valley East

[ashamji.mpp.co@liberal.ola.org](mailto:ashamji.mpp.co@liberal.ola.org)

David Smith, MPP Scarborough Centre

[david.smith1@pc.ola.org](mailto:david.smith1@pc.ola.org)

Marit Stiles, MPP Davenport, Leader Official Opposition

[MStiles-QP@ndp.on.ca](mailto:MStiles-QP@ndp.on.ca)

Hon. Kinga Surma, MPP Etobicoke Centre

[Kinga.Surma@pc.ola.org](mailto:Kinga.Surma@pc.ola.org)

Peter Tabuns, MPP Toronto—Danforth

[tabunsp-qp@ndp.on.ca](mailto:tabunsp-qp@ndp.on.ca)

Vijay Thanigasalam, MPP Scarborough—Rouge Park

[Vijay.Thanigasalam@pc.ola.org](mailto:Vijay.Thanigasalam@pc.ola.org)

Kristyn Wong-Tam, MPP Toronto Centre

[KWong-Tam-QP@ndp.on.ca](mailto:KWong-Tam-QP@ndp.on.ca)