

## Early learning and child care in Ontario: Building on a house of cards

Notes from the Early Learning and Child Care Briefings at

Queen's Park, March 10, 2010



### Solutions to make full-day early learning for 0-12 a real success...

1. **Stabilize** the “house of cards”- replace the \$63.5 million
2. **Revise** 80% provincial base funding to municipalities based on actual costs with indexation
3. **Provide** adequate transitional funding to ensure full day early learning program works

## **Full-day early learning**

Full day learning is an integral part of two key social policy “planks”:

A commitment to provide full-day learning for 4 and 5 year olds – with a commitment to freeing up spaces for younger children and saving money for parents

A commitment to reduce poverty by 25% over 5 years

Early learning program roll-out beginning spring 2010

Government poised to de-stabilize full-day early learning even before it gets off the ground;

Full-day early learning being built on an unstable foundation. It’s a “house of cards”.

## **“Perfect storm” - precarious funding situation is now brewing**

The four components of the child care funding crisis:

1. Child care base funding not adequate: Growing and compounding problem as funding to municipalities has not been adjusted for inflation in 15 years.
2. Cuts to early learning and child care if \$63.5 million is removed from the child care budget. Funding was one-time money from the National Child Care Program which Ontario split over four years and added to the core child care funding budget.
3. “Unconditional grants” ending: Funding from the first year of the National Child Care Program which, delivered late in the year, was transferred to municipalities. Some have used this money to cover gaps in funding – however, funds running out for many municipalities this year, for others next year.
4. General financial pressures impacting on municipal contributions: Many municipalities have additional unmatched spending on early learning and child care.

**Full-day early learning, layered on top of an unstable base, will add to the chaos and instability.**

## **Provincial Impacts**

According to the Ministry of Children and Youth Services, 48% of Ontario’s child care centres will be directly impacted by full-day learning this September.

## **First wave of municipalities/services already being hit**

Centre closures. Many programs across the province are threatened. Windsor closing all municipal centres (7 centres, 2 satellites); Brantford may close its municipal centre

Reduced subsidies – Toronto projection – loss of 5,000. Other municipalities are already reducing subsidies (OMSSA report)

Fee hikes – Toronto

Program reductions underway.

## **Second, third, waves coming**

Municipalities that are not yet in crisis are only putting it off until next year

But unconditional grants will soon end

Within the next two years, virtually all communities across Ontario will experience child care crises as these shortfalls come together.

## **What does this mean for the success of full-day early learning?**

Eroding support from community as scramble to shore up unstable “house of cards”

Negative media attention will lead to loss of public support

Loss of accessible services. Services for 0-3s, older school-aged children that are intended to become part of the “coherent system for 0-12s” are becoming less functional

Shrinking accessible, undermined services mean that families – especially low income -- and children will suffer

Economic benefits that could be gained from more robust policy transformation will be lost

What could be a “feather in cap” will instead be an unstable headache -- much less than it could be

## **If \$63.5 million is cut from early learning and child care in the upcoming Provincial Budget:**

### **Economic Impacts**

If 63.5 million is cut from early learning and child care in the upcoming Provincial Budget there will be a **\$148.3 million** loss to Ontario’s GDP

Jobs lost in the Ontario economy: **3,030**

Parents who would leave their jobs because of lack of child care: **3,480**

Reasons the GDP Impact is so large:

Labour costs are a large proportion of child care spending, but wages are low, so many jobs are created through child care investment

Low wages of workers in the child care sector means they spend their money on local consumer goods and that has a positive impact on local economies

Local child care programs also purchase from local suppliers

Child care is also a support to parental employment

Research shows parents are very sensitive to fee increases – when fees go up, there is a drop in labour force participation.

(Full Report available <http://www.childcareontario.org/?p=2912>)

## **Impact on Poverty Reduction**

Access to child care services for low income families is crucial for Ontario to achieve its target of 25% cut in child poverty by 2013.

The families which Ontario's Poverty Reduction Strategy aims to lift out of poverty would be hardest hit by the loss of 7600 child care subsidies.

Parents cannot work, look for work, or get training when they don't have secure, affordable, quality child care.

Failure to invest in child care in Ontario's budget would jeopardize 2 key government social policy planks - Early Learning Program, & Poverty Reduction Strategy.

Implementing ELP for 4&5 year olds while losing subsidized spaces for children 0-4 is like building a 2nd floor on a house with a crumbling foundation.

## **Solutions to make full-day early learning for 0-12 a real success...**

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5. **Revise** 80% provincial base funding to municipalities based on actual costs with indexation
6. **Provide** adequate transitional funding to ensure full day early learning program works