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June 1986

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1. INTRODUCTION

The Canadian Day Care Advocacy Association (CDCAA) sincerely welcomes this opportunity to present its views and recommendations to you.

Canadian citizens have been waiting a long time for a federal parliamentary task force on child care. Since the formation of our Association, we have been calling on the federal government to create such a committee. We all know there is a child care crisis in Canada. We also know that the federal government will have to play a leading role if Canadian families are finally going to be provided the support services they desperately need. And so we warmly welcomed the formation of your committee. Your committee, composed as it is of federal members of parliament, should, we firmly believe, have the resources, ability, influence and clout to move the federal government to introduce enlightened and compassionate child care policies - - now.

Your special committee is the latest in a number of government examinations of child care. From the Royal Commission on the Status of Women in 1970, to the Royal Commission on Equality in Employment in 1984, reports have urged the government to act. The most recent examination, the Cooke Task Force on Child Care, described Canada's child care situation as being in a state of crisis, with the current supply of licenced child care spaces only able to accomodate less than nine per cent of Canadian children requiring non-parental care on a full-day basis. The Task Force also identified Canada's parental leave policies as outmoded and inequitable, and in need of major improvement. The Task Force recommended that licenced child care in Canada be fully funded by the federal and provincial/territorial governments on a unit-shared basis.

It's now 1986. The country simply cannot wait any longer. Canadians have said they will not allow governments to continue to turn a blind eye to our most precious and vulnerable citizens, our children.

We sincerely hope that your committee will recognize the popular support behind the call for high quality child care services. We anticipate you will address contemporary needs and recommend the appropriate legislative and funding mechanisms for the implementa-

tion of a universally accessible, affordable, high quality child care system for Canada.

The CDCAA is a broadly-based, Canada-wide organization. Our membership is open and reflects all segments of Canadian society and the child care community. Each province and territory elects representatives to our Steering Committee. The members of our Steering Committee are parents, day care employees, teachers of early childhood education, day care board members, owner-operators of day care centres and concerned individuals active in various constituencies.

Our Association grew out of the resolutions adopted by the Second Canadian Conference on Day Care held in September 1982 in Winnipeg. The seven hundred delegates from all provinces and territories called for an effective, united voice to pursue child care issues at the federal level and promote a broad consensus of support within all regions of Canada.

After much thought, discussion and hard work, the CDCAA has arrived at major principles which guide our work and lobbying efforts. Some of these principles include: any child care service must be of high quality; the non-profit or government-operated sectors are the most appropriate vehicles to deliver child care services; there must be mechanisms for parent and community decision-making in the initial and ongoing stages; direct funding by government is essential if we are to overcome the problems caused by day care's dependence on welfare legislation and parent fees as a financial base; and day care policy must be developed within a context that deals with the varied needs of Canadian families and children. A comprehensive range of services must be offered to meet the different needs of each family, as its circumstances change, and might include increased paid maternity/paternity leave, access to half-day programs and parent-child drop-ins/resource centres as well as full-time day care.

This submission was developed through a process of cross-country consultation. It elaborates on the principles stated above and describes how a day care system based on such principles might operate.

## 2. LOOKING BACK

While we need to look towards the future, it is also essential that we take a good, hard look at the past. History is not a series of isolated events or peculiar coincidences, but an ongoing process. Examining our history can help us analyse present experience and give us help with future directions.

It is now a fact that the majority of Canadian families need child care at some time before their children reach the age of twelve. This still sits uneasily with many who reach back to what appears to be simpler times. They assume that a mother at home full-time meant a more stable, more loving atmosphere. Because what is commonly believed to have taken place in the past does not appear to be happening now, there are fears that we are witnessing the demise of the family as a social unit.

However, history shows us that family life was never as simple as many would prefer to believe. When we look at the history of the family in Canada, we can observe a rich vein of experience in the ways that parents met the needs of their small group and the individuals therein. In times past, as now, parents had difficult decisions to make.

The notion that a family works best with a mother and children at home supported by father in the workplace has a relatively brief history in Canada. Prior to the mid-nineteenth century, most Canadians were self-employed, most notably on farms but also in small professional or commercial establishments. There was little separation between home and work, and all members of the family contributed through their labour to the household economy.

The 1850's brought the beginnings of industrialization to Canada. For the first time, Canadians in large numbers became waged employees and started to work away from their homes. It was not until this time that the family started to function in ways familiar to us. This change in the nature and location of work plus the consensus that mothers were best suited to be primary care givers meant that the vast majority of women with young children stayed at home and engaged in child care and housework.

However, this decision was not equally easy for all families. A new baby could have a devastating effect on the financial resources of a low income family, as the mother was removed from the

labour force. Older children, if available, could be pressed into service to augment the family wage packet. "Sweated" employment inside the home was not uncommon. When a family was under severe stress, parents, particularly in Quebec, made temporary use of orphanages run by religious orders and charitable organizations to educate and care for their youngsters until the family could, once again, become self-supporting. Historically, parents have taken, with great integrity, a variety of courses as they struggled to support their family.

Nonetheless, despite situations where necessity forced families to buck the prevailing tide, the consensus that mother-care was the best and only acceptable care held until very recently. It is only during the last twenty years that society has come to accept as valid a variety of types of child care. The changes in child care that we have all observed or participated in since the late 1960's do not herald the destruction of the family. There is overwhelming agreement that the parent-child relationship is of utmost importance. However, we have come to accept that there is a wide range of child care options that fall within the bounds of desirability. The emerging consensus, based on the experience of a growing number of families with some form of child care experience and on research in child development, indicates that the crucial importance lies not in where the child is cared for during the day (at home or in day care), but in the quality of the setting and the interaction between adult and child. We are arriving at an understanding that sharing child care between the parents and the child care providers can be accomplished and that the results can be positive.<sup>1</sup>

How did this shift in consensus come about? Advances in medicine have taken the risk out of surrogate care. Equal access to education for girls and boys (at least, in theory) has led to equal expectations of participation in the public sphere on the part of young men and women. Increasingly, one salary no longer supports a family. Maternal labour force participation has been cited as a major element in the decrease in the proportion of families living below the poverty line.<sup>2</sup> The increase in the use of child care over the last two decades has provided a larger number of parents with a positive experience where surrogate care is concerned.

Finally, there is a large body of research that has given us a growing confidence that good day care is good for children.<sup>3</sup>

Throughout history, family forms have adapted to internal needs and outside pressures. Individual families have always acted both within and outside of social conventions to meet their needs. It is important that we take note of particular trends and develop supports as these trends unfold.

The number of single and double working-parent families has increased and will probably continue to do so. In 1961, 65% of families were composed of one-earner couples, 14% of two-earner couples and 6% of single parents. By 1981, the situation had drastically changed. Only 16% of families were of the one-earner type while the percentage of two-earner couples had more than trebled to represent 49% of all families, and single parent-led families represented 11% of the total.<sup>4</sup> The labour force participation rate of women with children less than 3 years of age has gone from 31.7 to 51.5 from 1976 to 1984.<sup>5</sup> In 1984, 80% of Canada's children were cared for during the day by someone other than a parent.<sup>6</sup>

It is clear that the "traditional" model of the family with father working full-time outside the home and mother as full-time homemaker, no longer represents the majority of Canadian families. Canada now has a new majority of families for which some form of child care is essential in order for the family to function as a unit. In addition, the increasing flow of mothers into the workforce has created new needs for women who wish to and are able to opt to stay home while their children are young. WHAT KINDS OF SERVICES DO FAMILIES WITH YOUNG CHILDREN NEED IN 1986, WHEN PARENTS ARE AT HOME OR IN THE WORKFORCE?

### 3. CHANGING FAMILIES - CHANGING NEEDS

As a changing consensus on child-rearing has assisted a shift in the activities of young Canadian families, so the needs of parents and young children have evolved. Canada has a history of developing social programs to meet the needs of its citizens at various times in their lives. Our elderly have an income security system to assist them financially after age 65. Unemployment insurance provides a safety net where the temporary loss of a job would otherwise mean destitution. Most Canadians no longer need fear that the cost of basic medical care will be an impediment to good health.

Although social and health services are a provincial responsibility under the Canadian Constitution, federal leadership was needed to put in place our present social service and health care system. This was necessary to ensure an adequate funding base for these services and to guarantee that they would be available across the country without residence requirements. In the same way, services to children and to families must be adequately funded and fully portable to meet the needs of today's families and their children. Federal leadership is therefore necessary to ensure parents a secure base of child care services on which they can depend to meet the needs of their children.

FEDERAL  
LEADER-  
SHIP IS  
NECES-  
SARY

How can Canada support its young families in the difficult task of raising children? Through experience and observation we can predict the kinds of services that different families require. Studies pertaining to parent preference tell us what parents themselves desire. Research into early childhood care assist us in developing quality programs to ensure the full development of children.

In 1986, families with young children need a range of services to help them during the relatively short period of time that their children are most dependent on them for care (birth to the end of elementary school). Families where the parent or parents work outside the home need either full-time or part-time child care, depending on the number of hours that they work. Specific groups such as parents on shift-work and rural and native families require a child care system flexible enough to meet their specific needs.

RANGE OF  
OPTIONS

Parents who have the opportunity to stay in the home while their children are pre-schoolers no longer have the neighbourhood networks that once existed. Programs like parent-child drop-ins and half-day nursery schools (a type of child care) can do a great deal to ease their isolation in order to ensure the kind of flexibility that parents need if they are to be able to make real choices about how to best care for their children. Families need auxiliary benefits like extended, paid maternity/paternity leave and time off without penalty to care for sick children. CANADIAN FAMILIES NEED A COMPREHENSIVE RANGE OF CHILDCARE SERVICES TO MEET THE NEEDS OF ALL CHILDREN, WHETHER THEIR PARENTS WORK OR NOT.



The research on parent preference indicates that most of the 80% of children in unregulated, unsupervised child care arrangements are not there because their parents have chosen that type of care. They are in these arrangements because of barriers to supervised care - lack of service or inability to afford the cost. All other things being equal (such care being available and affordable), most parents prefer supervised care - that is, situations that are regulated and monitored by an outside agency, most commonly, a government body.<sup>7</sup> Although the data indicates that most parents opt for group care, many - and especially those with infants - would like supervised family day care. It is evident that the present lack of monitoring in a situation where most of the care provided is unregulated is not what parents desire. Parent preference surveys conducted in four communities across Canada - Winnipeg, Montreal, Kitchener and Metro Toronto - found that "the fact that they (parents) stay with (informal) care that is less than satisfactory indicates, among other things, limited consumer choice".<sup>8</sup>

SUPERVISED  
VS  
UNSUPERVISED

If day care were established on a more systematic basis, how could we have some assurance that we were providing a quality service? Needless to say, while research over the last twenty years has shown parents that they need not worry if their children are in good day care settings, the emphasis must rest on the qualifying adjective. Poor day care like any poor environment can negatively affect a child's growth and development; good day care, like any good environment supports the full development of the child, and his or her physical and emotional health. A major nation-wide (U.S.) study<sup>9</sup> has given us what could be termed the primary "benchmarks" of good care. They are:

QUALITY  
OF CARE

- small group sizes,
- training in early childhood education for day care workers and family day care providers,
- high staff:child ratios,
- parent participation in decision-making,
- links with the community served by the day care service,
- agency supervision for family day care settings.

What we observe in the field indicates that these "benchmarks" are more likely to be met in small, regulated, non-profit, community-based settings. Mechanisms for parent-decision-making are virtually unheard-of in for-profit situations. Furthermore, the tension caused by the need to make a profit and the need to compete cost-wise with the non-profit sector can result in economies in areas that most affect the quality of care - numbers of staff, qualifications and salaries. These are the areas that make up the major part of an institution's budget. Unregulated settings are least likely to have any child development training for care-givers and generally do not form links with other agencies.

WHERE ARE  
WE LIKELY  
TO FIND  
QUALITY  
CARE?

So, by looking at family needs, parent preference and elements of good care, we can arrive at criteria for a system of support to families with young children. First, FLEXIBILITY IS KEY, so that families can choose different services as different needs arise. Second, if parents are truly to be able to choose the type of child care that they need and desire, USE OF SERVICES MUST NOT BE BARRED BY LACK OF SERVICE OR INABILITY TO PAY FEES. Third, THE SERVICE MUST BE OF HIGH QUALITY, based on the best information that we have on elements that contribute in a positive manner to childhood growth and development. WE ARE MOST LIKELY TO MEET THESE CRITERIA IN A SYSTEM WHERE SERVICE IS NON-PROFIT OR GOVERNMENT-OPERATED, PARENT AND COMMUNITY-CONTROLLED AND OPERATED WITH HIGH STAFF:CHILD RATIOS AND TRAINED STAFF. SUCH A SERVICE MUST BE IN THE MAIN, FUNDED DIRECTLY BY GOVERNMENT.

4. CANADA NOW - DO TODAY'S SERVICES TO YOUNG FAMILIES MEET TODAY'S NEEDS?

No level of government in Canada funds services to young families. Rather, government funds are used to help pay the cost incurred by a minority of families for a narrow range of programs. There is a big difference between funding a planned and Canada-wide system of services and allocating funds to allow some families to access bits and pieces of a patchwork. The latter scatter-gun approach is what we have today.

The funding for services must rely on heavy user fees and on selective subsidies available only to a small minority of families. Because of this, access to licensed child care is difficult for middle-income families. A two-tiered child care patchwork of services has thus evolved: licensed and regulated child care for

the rich and the poor who can receive subsidies, and informal, unregulated child care for the rest.

Let's look at current funding arrangements for child care to see how the lack of stable funding bars families from use of service. The federal government contributes to the cost of child care through three channels - the Canada Assistance Plan, the Child Care Expense Deduction and the Canada Employment and Immigration Commission.

The **Canada Assistance Plan** (\$90 million federal dollars in 1984-85) is cost-shared equally between the federal government and the provinces and subsidizes child care costs for needy families. Although the federal government places no limit on its spending, all provinces limit funds for child care in a variety of ways, most notably by limiting the number of spaces that can be funded and/or the number of dollars per space. The Canada Assistance Plan falls short of meeting the need for child care in the following ways:

CAP

- Only low income families can qualify for subsidies. Middle income families receive no federal assistance but in much of Canada, they cannot afford to pay for high quality child care. The need to keep fees affordable has kept programs unstable, and salaries for early childhood teachers low.
- CAP is intended to provide welfare, not child care. CAP doesn't include principles nor does it encourage provinces to provide adequate funds to develop good, accessible programs.
- CAP perpetuates the notion that organized child care services are only intended for the needy.

**Child Care Expense Deductions** totalled \$115 million in 1984-85. A maximum tax deduction of \$2,000 per child to a total of \$8,000 per family per year is allowed to the parent with the lower income if both parents (in a two-parent family) are in the labour force.

TAX  
DEDUCTIONS

This use of the tax system to fund child care is of limited use in developing a comprehensive service because:

- Social Insurance Numbers and receipts are needed to claim a deduction. Most families who use unregulated care are not eligible because few unregulated caregivers claim this income and so do not give receipts.
- Tax deductions benefit high income more than middle or low income families. A family earning \$30,000 per year may have \$500 returned to them at tax time to cover \$4,000 in annual child care costs. Most middle to low-income families can't afford to pay child care costs in advance.
- Using the tax system doesn't build a comprehensive child care system. Imagine if, instead of creating a public school system, Canada had chosen to encourage Canadians to find a neighbour to teach their children and claim the cost as an educational deduction at tax time!
- The tax exemption is a public expense, yet there is no way to ensure that it is spent on good child care.

The federal government also spent over \$17 million annually through **CEIC grants for child care allowances for trainees** in 1984-85. They are given to single parents to enable them to leave welfare, but are mostly used on unregulated care, with no assurance of quality.

**CEIC**

Do these disparate ways of dealing with the need for child care provide flexibility and promote parent choice? No. Is there even a minimal guarantee that most children are in settings of quality? No. In a service where the sponsorship is so diffuse, access and quality are more likely to be elusive. The reasons for this are many and varied.

**DO THESE  
WORK?  
NO.**

First, **THERE ARE NOT ENOUGH REGULATED AND SUPERVISED CHILD CARE SPACES TO MEET THE DEMAND**, so many parents, whether they are eligible for subsidy or can afford to pay fees do not have a choice of child care settings - they can only use unregulated and unsupervised care. A study by the Department of Community Services of Metropolitan Toronto (1982) showed that 25% of families on waiting lists for centres but using unregulated care were eligible for subsidy<sup>10</sup>. Not only did these families want regulated care, they were paying for unregulated care when they could have been subsidized in a more formal setting.

**WHY?**

**NOT  
ENOUGH  
SPACES**

THE FACT THAT CHILD CARE IS A SERVICE STILL PRIMARILY SUPPORTED BY PARENT FEES REMOVES OPTIONS FROM FAMILIES. If a space is available, the very low-income family can receive assistance and the relatively affluent can assume the full cost. The lower-middle and middle income family often simply cannot pay the full cost of child care in the regulated sector and so, once again, is forced to use the name on the supermarket bulletin board whether or not this is the type of care that they would choose for their children.

FEES

The dependence on parent fees also puts day care staff in an untenable situation. SALARIES FOR TRAINED STAFF ARE ABYSMAL<sup>11</sup>, yet they realize that bettering their situation will place a burden on many parents. The majority of unregulated providers make less than the minimum wage.<sup>12</sup> Together with parents, staff and providers subsidize child care services.

STAFF  
AND  
SALARIES

Finally, THE BULK OF ASSISTANCE WITH CHILD CARE FEES GOES TO FULL-TIME CARE, WHILE OTHER SERVICES RECEIVE LITTLE OR NO FUNDING. Families needing services like nursery school are, with only a few exceptions, not eligible for assistance in most parts of Canada. Parent-child drop-ins receive no federal funds and most rely on unstable provincial grants. These other services are very much needed - and heavily used when they are available by stay-at-home parents.

LITTLE  
FUNDING FOR  
OTHER  
SERVICES

5. THE CASE AGAINST DEREGULATION

One method of dealing with the problem of affordability that has been proposed from time to time is that of deregulation of child care services. Because unregulated care tends to be less expensive, the theory goes that a less formal service will be affordable for more families and less expensive for government. A similar proposal involves providing parents with assistance with child care fees through vouchers or increased tax deductions for either unregulated baby-sitters or more formal care. Both plans are promoted as offering parents choice in selecting day care settings.

Proponents of deregulation insist that legislated standards and monitoring are unnecessary and that the power of the marketplace is sufficient to ensure quality. Both deregulation of formal care and the funding of care that is currently unregulated are seen as

DEREGULATION  
AND QUALITY  
OF CARE

easy ways of quickly increasing assistance for child care. Neither deal with the question of quality.

While we don't know a great deal about the quality of unregulated care, what we do know is not encouraging as evidenced by studies done in Winnipeg, Montreal, Kitchener and Metro Toronto.<sup>13</sup> The two most disquieting factors that have been isolated are a very high turnover of caregivers<sup>14</sup> and a lack of training in child development.<sup>15</sup> This last, more than formal education, has been pinpointed by ABT Associates as one of the most important "benchmarks" of good care. The invisible hand of the marketplace has not assured quality care; rather, it appears to assure care that is uncertain in that it is more likely to lack two crucial elements of quality - security and knowledgeable care-giving.

The element within the regulated sector most enthusiastic about relying on market forces tends to be for-profit operations. Unfortunately, this sector's concern about quality of care has not been impressive. In Ontario in 1974, a large, continental corporation supported attempts to dilute standards to a level that we know, through early childhood research, would have adversely affected the quality of care. More recently, an association of for-profit operators presented a brief opposing changes in Ontario's Day Nurseries' Act. These changes were finally adopted and strengthened the quality-of-care regulations. Dr. Christopher Bagley, in his review of day care standards in Alberta, found that the problem was not so much the standards as such, but their proper enforcement. He also found that without proper enforcement procedures, standards are not respected. "In daycare, Alberta's laissez faire policy for private centres, giving generous operating subsidies with a minimum of control has nevertheless failed to ensure that all, or even a majority of centres offer quality programming".<sup>16</sup>

THE QUALITY OF CARE IN A CHILD'S DAY CAN VIRTUALLY AFFECT HER OR HIM FOR LIFE. YET CHILD CARE IS PRESENTLY SEEN AS A CONSUMER SERVICE GOVERNED BY MARKET FORCE. MARKET FORCES DID NOT GIVE US SAFE CRIBS AND CAR SEATS: REGULATION DID. SURELY A SETTING WHERE A CHILD SPENDS 6-10 HOURS A DAY IS WORTHY OF REGULATION AND MONITORING.

The funding of unregulated settings through vouchers, tax deductions or subsidies means that public dollars are going to a service with no public scrutiny - an inappropriate direction

DEREGULATION  
AND PROFIT

DEREGULATION  
AND  
ACCOUNTABILITY

when public funds are scarce. We are not suggesting that parents who wish, on their own, to hire someone to care for their children be forced to use regulated settings. We do maintain, however, that public funds be expended on care that is accountable where quality is concerned.

Mechanisms like vouchers and tax breaks do nothing to assure equal access to quality care if there is an insufficient supply of such care in the first place. This is the case in Canada, today. Eighty per cent of children in child care are in unregulated settings. We have seen that these settings are less likely to reach the "benchmarks" of good care than their regulated counterparts. In addition, parents themselves have expressed a need for greater access to regulated care. IF CANADA IS TO PROVIDE PARENTS WITH A CHOICE OF QUALITY CHILD CARE ARRANGEMENTS IT MUST DO SO THROUGH A PLANNED, REGULATED SYSTEM THAT PROVIDES THE FLEXIBILITY NEEDED TO MEET THEIR VARIOUS NEEDS.

DEREGULATION  
AND  
ACCESS

**6. INEQUALITY AND INEQUITY**

Unequal access to quality child care through lack of service or inability to afford fees leads to lack of equity for Canadian families. Try to picture an education system where the very poor were allowed to attend free-of-charge, the wealthy could afford private schools and the majority of families either struggled to pay fees in good schools, or sent their children to cheap, very uncertain, unregulated private schools often run by people who were totally untrained in pedagogy. Some families didn't send their children to school, at all. No one would argue that an institution of this nature could provide equity where access to education was concerned. That was Canada's answer to the need for education 150 years ago and that, essentially, is the kind of arrangement that we have for child care, today. Let's bring child care into the 20th century. EQUAL ACCESS TO QUALITY CARE IS OUR ONLY EQUITABLE WAY OF DEALING WITH THE CHILD CARE NEEDS OF TODAY'S FAMILIES.

INEQUALITY  
AND  
INEQUITY

**7. PLANNING FOR THE FUTURE**

The Canadian Day Care Advocacy Association has adopted the following principles as a foundation for a national child care policy:

**PRINCIPLES  
UNDERLYING  
CHILD CARE  
POLICY**

- a) **Universality:** All children should have access to high quality child care services regardless of family income or parent's employment status. Parents should determine the nature and extent of their children's participation.
- b) **Quality:** To ensure high quality, child care services should be licensed and regulated, reflecting the best current knowledge about early childhood development as well as the varied cultural and linguistic backgrounds of Canadian families.
- c) **Affordability:** Cost should not be a barrier to access for any family. User fees should diminish over a realistic time frame, with a small parent fee to remain. Assistance with this fee should be provided to low-income families.
- d) **Parental Role:** Parents should have an active, significant role in determining the child care environment. Child care services should be governed by elected committees composed of at least 51% parent-users.
- e) **Provider Direction:** Those involved in the provision and delivery of child care services should be involved in the decision-making process.
- f) **Sponsorship:** In order that public funds be used to maximum advantage, child care services should be non-profit operations.
- g) **Working Conditions:** Child care employees should receive salaries and benefits commensurate with the value of their work and educational qualifications.

The Canadian Day Care Advocacy Association believes that all parents may need support with their child-rearing responsibilities. Child care services should include sufficient program options to accommodate a population with a wide range of child care needs in an economically diverse country. Our principles are operationalized in the following model of a comprehensive child care service:



**CORE SERVICES**

**Licensed full and part-time group programs** for children aged 0-6 years. Full and part-time programs for preschoolers call for trained staff who are paid at a level which reflects their training and the importance of their work, proper facilities and programs designed to meet the needs of children, including those with special needs. Parents would then have access to both full and part-time care and could decide which best meets their families' needs.

**GROUP PROGRAMS**

**Licensed group programs for school-aged children** outside of regular school hours (before and after school, lunch time, school breaks and holidays). School-aged children need high quality services with program content specially developed to meet the needs of that age group. Such services would use the facilities and resources of the community to maximize the programming potential for school-aged children.

**Supervised family home care** for children aged 0-12. Families who prefer care in a home would have access to supervised and regulated arrangements with well-developed support systems. Supervised providers would be employees of organizations which provide training and support services and receive fair wages and benefits. People who are now providing unregulated child care would be able to become supervised home care providers. Although it would not be required that all people providing child care in homes become supervised providers, all parents would have access to supervised care. Public funds would go only to supervised caregivers.

**FAMILY HOME CARE**

**SUPPLEMENTARY SERVICES**

**Resource and support services** would assist parents and other people taking care of children at home. Education, drop-ins, and information as well as emergency and occasional child care would be provided as supplementary child care services.

**OTHER SERVICES**

**LOCAL PLANNING OPTIONS**

Local communities would develop a mix of services to meet their unique needs. Both the type of services and the method of delivering them may vary across the country, with

**LOCAL PLANNING**

different models developed in the North, in rural areas and in urban centres.

Advocates have proposed a variety of delivery models which could serve to establish a comprehensive system of child care. A popular model for urban centres, and one which could be adapted to rural settings is the neighbourhood hub model, a multi-service community resource centre offering group programs, drop-ins, and support services, as well as training and a group experience for home care providers and parents at home.

NEIGHBOURHOOD HUB MODEL

In all cases, however, a comprehensive system would include regulated services for families needing full-time care, and support services for those caring for children at home. These services would be offered in a coordinated way, making them accessible to parents and children.

THE COMPREHENSIVE CHILD CARE SYSTEM PROPOSED BY THE CANADIAN DAY CARE ADVOCACY ASSOCIATION FEATURES A COORDINATED RANGE OF SERVICES, PLANNED TO MEET DIFFERENT NEEDS, AND TO RESPOND TO THE DIVERSE CULTURES AND COMMUNITIES ACROSS CANADA. THE HALLMARK OF A COMPREHENSIVE SYSTEM IS THE ABILITY OF PARENTS TO CHOOSE THE SERVICE BEST DESIGNED TO MEET THEIR CHILDREN'S NEEDS.

CHOICE IS ESSENTIAL

8. THE CHILD CARE FINANCING ACT

We propose that this new, Canada-wide child care service be funded in such a way that our principles are met. The new vehicle for funding would be legislation that we have named the Child Care Financing Act.

CHILD CARE FINANCING ACT

This proposed Act provides the framework and funding which will allow the development of a comprehensive, non-profit, high quality child care system in Canada. It is based on federal initiatives leading to federal-provincial/territorial cost-sharing, in an evolution from the present user fee services to a publicly-funded system.

Here is a summary of the components of the proposed Child Care Financing Act:

**o PROGRAM CRITERIA**

In order to qualify for federal funds for child care services which will be provided under provincial law, provinces must satisfy the following criteria:

**1. Child Care Service Components**

A range of program options must be provided to meet the needs of families and local communities. These options include: full and part-time group programs for children 0-6 years; group programs for school-aged children outside of regular services, including resource centres for parents, emergency relief, sick child care and toy lending libraries. Integrated services for children with special needs will be included.

**2. Administration**

Child care services must be administered and operated on a non-profit basis by provincial or municipal governments or by approved groups like parent co-operatives or community organizations. In order to ensure financial accountability, efficiency and high quality services, each province or territory must establish the necessary coordinated procedures to administer and monitor child care services. Mechanisms must be developed in each province or territory to ensure parent control and accountability to families, communities and society.

**3. Program Quality**

Responsibility for the provision and regulation of child care services rests with provincial and territorial governments. Minimum standards must be established, consistent with the best available knowledge about early childhood development and learning.

**4. Availability**

Each province or territory must develop a plan which will provide that, within ten years, a range of child care services are available to all families who wish to use them.

## 5. Affordability

Within ten years, each province or territory must fund a system of children's services which will meet the principles and criteria outlined in this proposed Act. Fifty percent of the costs will be paid by the federal government. For poorer provinces and territories, the federal government may contribute over 50%. The development of the funding of these services will be in three phases.

### Phase I:

Direct funding of child care services will be initiated through the introduction of operational grants paid by the federal government through the provinces to not-for-profit programs. Operational grants will be available to for-profit programs as well (excluding commercial chains) for a period of three years so that they have an opportunity to modify their status to non-profit. Existing funding through the Canada Assistance Plan will be retained for families who are eligible under current agreements.

### Phase II:

Provinces and territories will match federal operational grants. Direct funding will increase incrementally through Phase 2. Existing funding through the Canada Assistance Plan will be retained under current agreements.

### Phase III:

At the end of the ten year period, provinces and territories will equally share the costs of providing child care services with the federal government. Fees to parents will be no more than 15% of the total cost; financial assistance will be available to all families who are unable to pay these fees.

## CHILD CARE DEVELOPMENT AND RESOURCES FUND

A Child Care Development and Resources Fund will be established to create facilities so as to ensure the availability of child care

services. A total of \$25 for each child to be enrolled will be allocated by the federal government over the ten year period.

### CHILD CARE RESEARCH, EVALUATION, AND PUBLIC EDUCATION FUND

A Child Care Research, Evaluation, and Public Education Fund will be established to fund investigation into issues relating to the provision and implementation of child care services, and to provide public education. A total of \$5 for each child served will be allocated by the federal government over the ten year period.

THE KEY TO A NEW FINANCIAL BASE FOR CHILD CARE IS DIRECT FUNDING. PUBLIC DOLLARS WOULD FLOW DIRECTLY TO THE SERVICE TO COVER BOTH CAPITAL AND OPERATING COSTS. GRADUALLY, THIS COMPONENT WOULD INCREASE UNTIL IT WOULD COVER MOST OF THE COST OF SERVICES TO FAMILIES WITH YOUNG CHILDREN.

DIRECT  
FUNDING

Direct funding is necessary because:

WHY?

1. It will allow the development of high quality programs with stable funding.
2. It will allow children from across the social and economic spectrum to have access to a wide range of child services. Equality of access for children would no longer be attached to their families' ability to pay or meet social or financial criteria.
3. It will allow the people who provide child care to earn adequate wages.
4. Most important of all, it will allow a comprehensive system of child care services to develop, so that families with a variety of child care needs have access to the programs they require. In other words, parents will be able to act on the choices that they make for their young children.

### 9. THE COSTS OF IMPLEMENTATION

In her paper prepared for the CDCAA, entitled, The Costs and Benefits of a National Child Care System for Canada, Monica Townson provides the cost of partial implementation of the Child Care

Financing Act.<sup>17</sup> The system described is partial in that it covers only 50% of children whose parents work or study for more than 20 hours per week. Salary costs are based on average staff:child ratios of 1 staff to 3 children ages 0-2, 1:6 for 2-6 year-olds and 1:10 for those aged 6-12. Salaries are also assumed to be higher than present levels for both group and family day care workers to reflect the importance of the work being done and staff qualifications.

The direct grant starts at \$5.00 per year per child in 1986 and increases at the rate of \$1.00 per child per year. Townson's work gives the following ten-year cost projection:

- o For 1987, assuming the rate increases to \$6 per day per space, based on 322,000 spaces, the grants would total about \$502 million.
- o In 1988, assuming an increase to \$7 per day per space, and assuming 397,000 licenced spaces, the cost to the federal government would be approximately \$723 million.
- o For 1989, assuming a rate of \$8 per space per day, and assuming 427,000 spaces, the federal government would contribute \$982 million, which would be matched by another \$982 million from provincial and territorial governments.
- o During the period from 1990 to 1996, funding allocated by both levels of government would rise gradually from the approximately \$2 billion in 1988, to an estimated \$4.5 billion in 1996.

It must be noted that the costing does not contain allowance for increased numbers of children and inflation. It also does not contain the cost of continuing to fund some parents through the Canada Assistance Plan while direct funding is being phased in, although increasingly, funding from CAP would be redirected to the system being built under the Child Care Financing Act.

The total cost, would be offset by benefits that could run to a maximum of close to 1.5 billion dollars. The quantifiable benefits, outlined in the report are a saving on unemployment insurance benefits through job creation, increased tax revenue from new and existing workers and redirection of funds under

current day care financing. No attempt has been made to assess and quantify such benefits as increased human potential in the form of increased mobility for adults now and enhanced opportunities for children as they grow into adulthood. These benefits of 1.5 billion dollars bring down the net costs to governments to around 3 billion dollars.

## 10. RECOMMENDATIONS

In closing, the Canadian Day Care Advocacy Association would like to make the following recommendations to the Special Committee on Child Care.

1. **We recommend that the Government of Canada recognize and support both the changed consensus regarding child-rearing in our society and the integrity of parental choice where child care matters are concerned.**
2. **We recommend that child care services be placed under a new piece of federal legislation to be titled The Child Care Financing Act.**
3. **We recommend that services under this Act be cost-shared equally between the federal and provincial or territorial governments.**
4. **We recommend that provincial governments have the right to choose which provincial ministry will house the new Act.**
5. **We recommend that in order to qualify for funding under the new Act, services must be operated on a non-profit basis only or by a government, with a mechanism for parent and community control. We further recommend that for profit programs (excluding commercial chains) be funded for a three-year transitional period so that they have an opportunity to modify their status to non-profit if they so wish.**
6. **We recommend that local communities be allowed to choose the service-delivery model most adapted to their needs.**
7. **We recommend that each community be allowed to design its own list of services according to local needs. Services may include group, private home, full-time, part-time, shift**

options as well as emergency care, 24-hour care, resource and drop-in centres for parents and children.

8. We recommend that access to service of choice be phased in over a 10-year period.

9. We recommend that direct funding to a minimum of 85% of operating cost per space be phased in over a 10-year period.

10. We recommend that subsidies under the Canada Assistance Plan expand immediately to meet immediate need but decrease gradually in amount of subsidy per individual over the 10-year period as direct operational funding increases. At the end of 10 years, parents would pay no more than 15% of the cost of care. Parents who qualify, via an income test, could pay less than 15% or no fee at all.

11. We recommend that a Child Care Development and Resources Fund be established by the federal government to create facilities and increase the availability of child care services, and that this fund be endowed with a sum representing \$25.00 per capita for the first ten years.

12. We recommend that a Child Care Research, Evaluation and Public Education Fund be established by the federal government to fund investigation into issues relating to the implementation and provision of child care services and to provide public education, and that this fund be endowed with a sum representing \$5.00 per capita for the first ten years.

13. We recommend that the Government of Canada affirm that publicly-funded child care is the right of every Canadian child.

Canadian families are looking to this Task Force for leadership in solving the crisis facing child care in Canada. They have struggled long enough, trying to meet their children's financial and child care needs without the benefit of a child care system. They cannot cope any longer with services funded in a way to meet the needs of families as they existed in 1966, the year in which the Canada Assistance Plan was instituted. Today's reality must be acknowledged. Generous capital grants and direct operational funding are needed to create and maintain a stable high quality system of child care that is accessible and affordable to the new



majority of young families who need it. We believe that the above recommendations will answer the needs of Canadian parents and their children. We urge you to be bold in your recommendations. Canadians have waited long enough!

Child Care, January 1982. Findings, study prepared for the Federal Task Force on Families and Community.

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