

# CHILD CARE: VISIONS OF CHANGE

In June, 1987, the provincial government introduced New Directions which envisaged sweeping new changes; most importantly, it highlighted the transformation of child care services in Ontario from a welfare system to a BASIC PUBLIC SERVICE. As a basic public service, child care would be available and affordable to all families who want to use it. No families would be barred from access to service because they could not afford to pay the fees. Neighbourhood, small and local centres and rural areas would have a range of services to meet local needs. Those needs include full-day care in daycare centres and approved private homes, before and after school care for children, extended hours care for parents on shift work, and services to meet the needs of children with specialized needs.

The government campaigned vigorously in the 1987 election campaign on its proposed child care reforms. Despite the promises, however, the government policy has done very little to meet the fundamental

**Ontario Coalition for Better Child Care**  
 297 St. George St.  
 Toronto, Ont. M5R 2P8

- The basic elements of the child care crisis in Ontario continue:
- Lack of Subsidized Spaces
  - Child Care Fees which are unaffordable
  - Low Wages and Low Morale of Staff
  - Continued Support to Low Quality Commercial Child Care

## BRIEF

## TO THE

# GOVERNMENT OF ONTARIO

## CHILD CARE: VISIONS OF CHANGE

At different points in time, each one of these problems gains prominence. Last year, the crisis point focussed on the low wages of staff, producing a generalized outflux of teachers from the service and serious instability in the system.

The government's introduction of the direct operating grant to non-profit child care programs, prioritized for salary enrichment, was a timely initiative needed to prevent what would otherwise have been a serious deterioration in the child care system in Ontario.

### Lack of Subsidized Spaces

This year, the crisis focuses on the lack of subsidized spaces. There are simply not enough. As the Ontario economy grows at a record pace, families want high quality child-care to enter into and remain in the labour force. Yet, they cannot afford the fees and subsidized spaces are not available. For example:

\*Three centres operated by the Learning Enrichment Foundation in the City of York are slated to close Dec. 2 because they can't afford to stay open with so many spaces empty. October, 1988

\*Thunder Bay has 600 children on the waiting list for municipal child care. Subsidies for private home child care programs are frozen and cannot be expanded.

\*Gardie Bernadette, at the University of Ottawa, was scheduled to open November 1. A start-up grant was provided by the

## CHILD CARE: VISIONS OF CHANGE

In June, 1987, the provincial government introduced New Directions which envisaged sweeping new changes; most importantly, it highlighted the transformation of child care services in Ontario from a welfare system to a BASIC PUBLIC SERVICE. As a basic public service, child care would be available and affordable to all families who want to use it. No families would be barred from access to service because they could not afford to pay the fees. Similarly, small and large urban areas, remote and rural areas would have a range of services to meet local needs. Those needs include full-day care in daycare centres and supervised private homes, drop-in centres for parents and caregivers, extended hours care for parents on shift work, and services to meet the needs of children with specialized needs.

The government campaigned vigorously in the 1987 election campaign on its promised child care reforms. Despite the promises, however, the government policy has done very little to avert the fundamental crisis in child care; instead it has tinkered at the edges of the problems and raised enormous expectations from parents, employers, child care programs and municipalities.

The basic elements of the child care crisis in Ontario continue:

Lack of Subsidized Spaces

Child Care Fees which are unaffordable

Low Wages and Low Morale of Staff

Continued Support to Low Quality

Commercial Child Care

At different points in time, each one of these problems gains prominence. Last year, the crisis point focussed on the low wages of staff, producing a generalized outflux of teachers from the service and serious instability in the system.

The government's introduction of the direct operating grant to non-profit child care programs, prioritized for salary enrichment, was a timely initiative needed to prevent what would otherwise have been a serious deterioration in the child care system in Ontario.

### Lack of Subsidized Spaces

This year, the crisis focuses on the lack of subsidized spaces. There are simply not enough. As the Ontario economy grows at a record pace, families must have high quality child-care to enter into and remain in the labour force. Yet, they cannot afford the fees and subsidized spaces are not available. For example:

\*Three centres operated by the Learning Enrichment Foundation in the City of York are slated to close Dec. 2 because they can't afford to stay open with so many spaces empty.

\*Thunder Bay has 600 children on the waiting list for municipal child care. Subsidies for private home child care programs are frozen and cannot be expanded.

\*Garderie Bernadette, at the University of Ottawa, was scheduled to open November 1. A start-up grant was provided by the

Ministry to set up the centre, but without the needed subsidized spaces for the 63 parents on the waiting list, the centre cannot open.

\*At the Salvation Army Bethany Day Care Centre in Toronto, 10 of 25 spaces have been empty since this summer because everyone on the waiting list is on Metro's waiting list for subsidy.

There have never been enough subsidized day care spaces, of course, but this year, the situation is desperate for the following reasons:

(1) Expansion dollars are less than in the previous 3 years.

Consequently, smaller municipalities that had previously offered a limited amount of subsidies or no subsidies at all, are placing increased demands on the subsidy system. This leaves the large urban centres with serious shortfalls: Metro Toronto, Ottawa-Carleton, Durham Region, Hamilton and Thunder Bay in particular.

(5) The participation rate of women of child-rearing age is continuing at a rate of over 60%. This means that more and more women are demanding child care in order to allow them to continue to work.

(6) Community economic development projects have been targetted as top priorities

Numbers of Expansion Spaces, Ontario, 1985-1990

<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
5,000	5,000	5,000	4,000	4,000

(2) The announcement of the provincial government's New Directions, coupled with the announcement of the federal strategy, promising that child care will be accessible and affordable, has turned the nascent need into active demand.

(3) The provincial government only subsidizes about 5% of the preschool children of working parents, compared to an estimated 38% of children who are eligible. More parents are demanding their rights to access a subsidy for which they are eligible.

(4) Municipalities across the province are beginning to realize that child care is an important service for them to support and fund.

by all levels of government. These programs involve language training, skills training, and labour force re-entry projects. Without subsidized child care, these programs are inoperable.

(7) There is increased recognition that child care is cheaper than welfare and that it is false economy for municipalities to keep parents on welfare rather than provide them with adequate, subsidized child care spaces. Without the subsidy spaces, this goal cannot be realized.

The government's response to this crisis has been short-sighted and inadequate. The proposed government spending for the years 1987-88 and 1988-89 is as follows:

## HISTORICAL AND CURRENT SPENDING 1987-89

	<u>1987-88</u>	<u>1988-89</u>
No. of Subsidies	37,000	41,000
Cost of Subsidies	135,515	160,664.9
Incentives:		
Start-up and Ongoing	10,822.4	20,419.1
Direct Operating Grant	8,789.1	66,566.1
EOP (Employment Opportunities Program)	4,818.4	7,557.8
MR Subsidies	13,661.9	18,158.2
Capital	5,891.6	15,450.0
<b><u>TOTAL:</u></b>	<b><u>\$179,498.6</u></b>	<b><u>288,888.1</u></b>

The total Ontario public expenditures for 1988-89 were \$38.4 billion. This means that child care expenditures account for a mere .75% of the total Ontario budget (LESS THAN 1%)! The cost of adding 7,500 spaces (the estimated numbers of parents now approved for subsidy) to the budget would amount to \$29 million or 10% of the current projected child care budget.

Rather than increasing the budget, the government has attempted to deal with the problem by suggesting that the problem rests with large urban centres, such as Metro Toronto, where the growing demand for subsidized spaces continues unabated and is likely to continue to grow because of demographic factors and labour force characteristics. The government suggests that municipalities devise a system of determining who are the neediest among the eligible families on waiting lists.

The government, in New Directions, promised to transform child care from a welfare service to a basic public service. By suggesting that municipalities should further categorize eligible families according to who is the neediest, the government is entrenching an already beleaguered system as a welfare service.

In June, 1987, the philosophical goals of the Ontario Government and those of the Ontario Coalition for Better Child Care for the creation of child care as a public service were identical. We agreed that the network of child care services in Ontario must have the capability of serving children from all economic and ethno-cultural strata. Child care programs in a variety of socio-economic neighbourhoods should serve subsidized and full-fee children. In middle-class suburbs and in inner-city neighbourhoods, families in Ontario, should have access to subsidized

child care. Child care programs, like the public education system, should reflect the diversity of neighbourhoods. If subsidized child care is available only to a small portion of eligible families, then child care programs could well become ghettoized. The lessons of ghettoized housing from the 1950's and 1960's have served as a guide to new policy and planning in the form of social housing. It is not necessary to reinvent the wheel and relearn those painful lessons with child care.

If subsidies are expanded to serve all eligible families, on a first-come, first-serve basis, then child care services will be able to serve the breadth of their communities.

With only 12% of children eligible for a subsidy currently receiving one, the aim should clearly be to increase access to those day care spaces - not to decrease it. Any parent of a child already eligible for a subsidy clearly cannot afford to purchase the space at the full fee averaging \$5,000 per annum for one child.

### **Affordability**

This brings us to the issue of affordability. As we pointed out in our response to New Directions, the government has not taken any serious action to deal with this problem. Our immediate short-term recommendation was for a direct operating grant amounting to at least 30% of the actual cost of the service in order to achieve the dual purpose of raising wages and reducing fees. Due to the fact that the direct operating grant amounted, at most, to 10% of the cost, it had to be designated exclusively for wages in order to immediately avert the severe staff salary crisis.

Also in New Directions, the govern-

ment promised to introduce income testing on January 1, 1989 as a means of providing more parents with more subsidies in a less intrusive manner. The government has neglected to deal seriously with this issue and has now postponed its deadline for the introduction of income-tested subsidies for one year.

### **Direct Operating Grant**

The Ontario Coalition for Better Child Care is concerned about the fact that direct operating grants have not yet been confirmed for the staff of 25% of child care non-profit child care programs. In several situations, municipalities are refusing to distribute the grant to the staff unless they agree to accept it in the form of a pay equity agreement. There has been ample time to resolve these issues. The government must take action.

### **Federal-Provincial Relations**

Finally, 1988 has been a critical year for child care at the federal level. The Ontario Coalition for Better Child Care has expressed great disappointment that the Ontario government has not rejected outright Ontario's participation in the child care program elaborated in the federal government's Bill C-144.

All of the witnesses to the House Committee on the Bill opposed the passage of the Bill, along with major national organizations of women, trade unions, teachers, social service agencies, churches and child care advocacy associations. A strong message from these organizations was sent to the Prime Minister in October, 1988:

"We believe passage of this Bill would move child care in Canada backwards, not for-

wards. The legislation:

\*Lacks national objectives needed to assure families in all provinces and territories accessible, high quality child care services.

\*Introduces new limitations to federal child care spending for low and modest income families and limits expansion over seven years to meet only 10% of Canada's child care needs.

\*Sets a dangerous precedent for federal spending by encouraging the growth of commercial care which is known to be of poorer quality than non-profit care.

"We believe Bill C-144 would impede rather than assist, working mothers in finding adequate child care and would not create a child care system of which Canadians could be proud."

The Ontario Coalition for Better Child Care also urges the Ontario government to firmly oppose the reintroduction of Bill C-144.

### **Recommendations:**

**1. That the Province of Ontario acknowledge that conditions in Ontario have changed since the planning of New Directions and that your government immediately re-examine its spending allocations to make available sufficient funds to provide subsidized child care spaces for all children who have been approved for a child care subsidy and are currently on the waiting list in Ontario.**

**2. That the Province of Ontario acknowledge that affordability is a crucial issue facing parents in Ontario and take the following steps to avert this aspect of the crisis:**

**(a) Publish its plans for the introduction of income testing for full community consultation by the promised date of January 1, 1989 so that it can be implemented by July 1, 1989.**

**(b) Increase the direct operating grant to 30% of operating costs in order to make available funds to actually reduce the cost of parent fees.**

**3. That the Province of Ontario immediately instruct municipalities withholding the direct operating grant to distribute it to their staff; otherwise the government should take steps to distribute these funds directly to the staff.**

**4. That the Province of Ontario oppose the reintroduction of Bill C-144 (or similar legislation) and lobby the next federal government to introduce a Canada Child Care Act which will ensure expansion of subsidy dollars, ensure funding to non-profit child care programs only and make available cost-sharing of operating and capital grants to non-profit child care programs.**