

Discussion Paper



# Modernizing Child Care in Ontario



*Sharing Conversations,*

*Strengthening Partnerships,*

*Working Together*



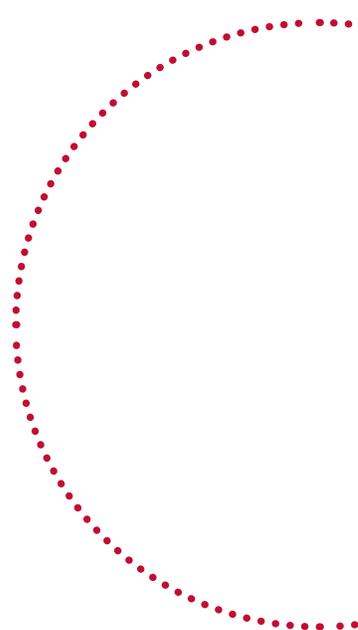
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We value diverse cultural, linguistic, geographic and ability perspectives, and welcome comments from all individuals and groups, including those from First Nations, Métis, Inuit, francophone, and northern, rural and remote communities.

This publication is also available on the Ministry of Education's website, at [www.ontario.ca/edu](http://www.ontario.ca/edu).

♻️ Printed on recycled paper • 12-017 • ISBN 978-1-4435-9516-2 (Print) • ISBN 978-1-4435-9517-9 (PDF) • ISBN 978-1-4435-9518-6 (TXT)  
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*Working towards a high-quality,  
accessible and coordinated early  
learning and care system for all  
children in Ontario*

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**E**arly learning and child care are crucial to Ontario's success. High-quality child care programs benefit children by providing enriching early learning experiences that promote future well-being. What's more, the sustainability and growth of the economy depends on the strength of our workforce, and many parents and families rely on child care in order to work, go to school or participate in retraining.

Ontario is at the forefront of a transformation in early learning. Full-day kindergarten (FDK) marks the biggest innovation in our education system in a generation and positions Ontario as a leader in North America. FDK is designed to give children a stronger start in school and in life by helping them to develop valuable skills that give them every opportunity to succeed.

The evidence is clear that child care, like FDK, plays a key role in promoting healthy development during the most critical years of a child's life. As FDK is implemented, it is clear that we need to build on the advice of Dr. Charles Pascal and develop a comprehensive vision and plan for child care that works with FDK. We now have the opportunity to take a closer look at child care and to work with partners to deliver a higher-quality, more accessible and coordinated system that better supports children and families.

Strengthening the child care sector will be challenging in a climate of fiscal restraint. Over the next three years, the process of modernization will not be about expanding the current system. It will be about stabilizing and transforming the system to enable higher-quality, consistent services that can support growth in the future. As we undertake this transformation, it is important that we acknowledge our strengths and weaknesses, share our knowledge and experiences, and work together to develop achievable and sustainable solutions that put children and families first.

## Putting Children and Families First

Since 2003, the Government of Ontario has made great strides in providing early learning and child care services that support young children and their families. During this time, the government introduced the Best Start program and has taken important steps towards creating more integrated children's services and Best Start Child and Family Centres. The government also established the College of Early Childhood Educators (the first self-regulatory body in Canada overseeing a professional membership of early childhood educators). More recently, the government launched full-day kindergarten, with full implementation expected by 2014. The government's commitment to modernize the child care system is the next step in the process of transformation.

The child care system in Ontario has many strengths. Every day across the province, thousands of children and their families receive services and supports from capable and caring child care providers in diverse settings. The child care system is supported by constructive relationships between the provincial government, municipalities and service system managers, First Nations, child care providers, early childhood experts, and parents and families who work hard every day to put children first. Many of these parties are striving to break down barriers and establish connections, participate in local planning and find innovative ways to meet the unique needs of diverse communities.



Nonetheless, we have heard from partners and stakeholders that we need a comprehensive vision and plan for child care that works with FDK. Stakeholders have told us that there are challenges with the current funding system and that the legislation (the Day Nurseries Act) governing child care is outdated and needs to be revised to reflect current evidence and experience. We also know that program quality varies across the province and greater supports are required to promote consistency and foster the healthy development of children. Finally, accountability within the sector must be strengthened, and better access to local data is required to inform decision-making and measure success.

The Government of Ontario is committed to working with partners to modernize the child care system. This paper is meant to introduce a conversation about the long-term vision for child care in Ontario, as well as targeted medium-term objectives for the next three years. The conversation is intended to include service system managers and First Nations partners, child care operators, children's service providers, registered early childhood educators, school boards, parents and families, as well as others interested in the child care system in Ontario.



## Healthy development starts at home

- ♦ The government recognizes the primary and fundamental role of parents, guardians and families and strives to incorporate this fundamental recognition into our work. This paper, however, focuses on the child care that children receive when they are not in the care of their families.
- ♦ To recognize and support parents and families as primary caregivers, we will work to provide them with information and resources about the types of care available so that they may make informed decisions when choosing care for their children.

## A Long-Term Vision for Child Care

The Government of Ontario's long-term vision is to build a high-quality, accessible and coordinated early learning and child care system for children before they start school and for school-aged children. The system will focus on learning in safe and caring play-based environments, on healthy physical, social, emotional and cognitive development, and on early identification and intervention for children in need of supports. Where possible, services will be located in or linked with schools to enhance seamlessness for children and families.

## Guiding Principles

Five major principles guide the long-term vision for early learning and child care in Ontario:

### *Support and choice for children and families*

The healthy development and well-being of children should always come first. Child care services and supports should be convenient, and parents and communities should have a range of quality care options. Parents and families should have the tools to make informed decisions as they choose the type of care that best suits their needs.

### *Commitment to quality programs for all children*

Program quality must be a priority across service settings. Children should benefit from programs that support learning, development and seamlessness between child care and school. Programs should respect diversity, equity and inclusion and should value the language and cultural needs of different communities. Child care settings should also be inclusive of and accessible to children with a range of abilities. In addition, registered early childhood educators and child care providers in the licensed sector should be well trained and supported, while unregulated/informal providers should have access to information and resources to promote program quality.

### *Efficient funding formula*

Funding must be transparent and informed by evidence and experience to support consistency in approach, accessibility for families, and quality for children and child care operators.

### *Supportive legislation and regulations*

A modern legislative framework for early learning and child care is needed to enhance safety and quality and to build connections between services for children before, during and after school. The legislative framework must be based on contemporary evidence regarding safety, quality, compliance and enforcement and should be applicable across diverse communities.

### *Evidence-based decision-making and reporting*

Decision-making must be informed by evidence and experience and should be driven by an enhanced system of data collection and public reporting that involves both system- and child-level data.



## Proposed Action Plan for the Medium Term

Transformation takes time, and a measured approach will ensure we build on the strengths of today's child care system. This discussion paper focuses on medium-term actions that the government can take over the next three years. These proposals emphasize maintaining and improving service in the current child care system rather than growing the system through the creation of new child care spaces or additional subsidies.

With the long-term vision for child care in mind, the government has identified five key areas for action over the next three years:

- 1. Operating funding formula**
- 2. Capital funding priorities**
- 3. Quality programs**
- 4. Modernized legislative and regulatory framework**
- 5. Support for accountability and capacity-building**

### 1) OPERATING FUNDING FORMULA

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#### *Current Landscape*

In Ontario, child care is supported by provincial, municipal and federal government funding, as well as parent fees. Consolidated Municipal Service Managers (CMSMs)/District Social Services Administration Boards (DSSABs) and First Nations child care administrators manage and/or deliver child care services at the local level.

Currently, the government provides funding to CMSMs/DSSABs and First Nations in a number of areas. These include child care fee subsidies for eligible families, wage subsidies to enhance salaries and benefits of staff to reduce the costs of child care to all families, and special needs resourcing funds to support the inclusion of children with special needs in licensed child care settings. This funding is provided under the Day Nurseries Act and the Ministry of Community and Social Services Act.

The majority of child care funding allocations provided to CMSMs/DSSABs are outdated. This has created inconsistencies resulting in wait lists in some communities and surplus funds in others. Funding among First Nations communities is also outdated, and federal funding to First Nations communities has been capped since 1995.



## Objective and Discussion Questions

**To modernize the approach to operating funding within the next three years, the government will develop and implement a new, more transparent approach to funding that responds to demand for services, helps stabilize fees and improves reliability of child care, to better support child care operators and parents.**

The government's recent investment in operating funding over the next three years, included in the 2012 Budget, will help to mitigate immediate pressure in the sector as child care operators adapt to the implementation of FDK. A new approach to allocating funds will help to maximize the effectiveness of this investment.

Creating a new funding formula will increase transparency and allocate funds based on a current assessment of need. Streamlining funding would provide service system managers and First Nations with greater flexibility and improve efficiency of government resources. Aligning First Nations child care funding under the Day Nurseries Act would create a simpler, more flexible approach.

During the process of revising the approach to funding, the government will work with service system managers and First Nations to increase their ability to respond to short-term pressures (e.g., by providing greater flexibility to manage allocations between funding lines).

**To develop a new approach to funding that supports child care operators and families and maximizes current resources, the government seeks your feedback on the following key questions:**

- ♦ How can the approach to child care funding be revised to enable more transparent and efficient allocations to municipal service system managers and First Nations?
- ♦ What elements should be considered when developing a new funding formula (e.g., demographics, demand, costs)?
- ♦ How can current funding be streamlined or consolidated to improve flexibility and efficiency?



## 2) CAPITAL FUNDING PRIORITIES

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### *Current Landscape*

As full-day kindergarten is introduced, some child care operators are facing a loss of revenue as four- and five-year-olds move to child care programs located in schools before and after FDK. Many child care operators want to adapt their programs for younger children, but have limited financial capacity to undertake the renovations necessary to meet the licensing requirements for younger age groups.

The evidence is clear that minimizing transitions for young children and providing a single point of access for early childhood services benefits the whole family. Schools are an important public resource from this perspective because they are easy for many families to access.<sup>1</sup>

Under Best Start, the government pursued a “schools-first” approach when creating new child care spaces, whereby schools were the preferred location. As a result, almost half of Ontario’s child care spaces are located in schools. Most of these spaces currently serve children over the age of four, but as operators adapt their programs to work with FDK, spaces can be redesigned to serve younger age groups.

### *Objective and Discussion Questions*

**To support child care operators as they adapt to FDK over the next three years, the government will pursue a capital funding approach that emphasizes child care spaces in schools in order to increase seamlessness for children and convenience for families.**

Moving forward, the government will support a schools-first capital funding approach. This approach will help ensure seamlessness for children and families while maximizing government investment in public infrastructure. A schools-first approach will help child care operators in schools to retrofit and convert existing child care spaces to serve younger age groups. It will also help community-based child care operators relocate to schools.

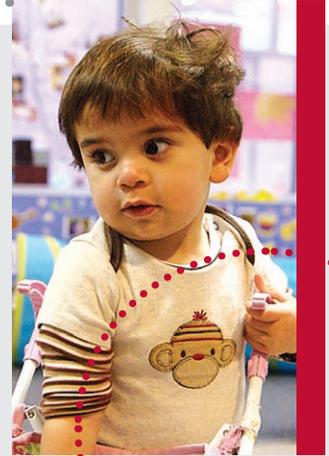
In communities where community-based child care is important to meet the needs of children and families, capital funding will also be available to support community-based operators.



<sup>1</sup> J.F. Mustard and M. McCain, *Early Years Study: Reversing the Real Brain Drain* (Toronto: Government of Ontario, 1998).

**To implement our approach to capital funding, the government seeks your feedback on the following key questions:**

- ♦ How can the Ministry of Education facilitate collaboration and joint planning among school boards, service system managers and child care operators so they can plan and manage this approach?
- ♦ What supporting policies are required to ensure the success of a schools-first child care policy (e.g., long-term planning on space for school-based operators, reasonable accommodation costs, facilities, and other shared space issues)?
- ♦ Where school-based space does not meet community needs, are there additional capital tools that could support community-based child care operators?



### 3) QUALITY PROGRAMS

#### *Current Landscape*

Research indicates that quality program elements, such as enriching interactions, experiences and environments, are important to support children's cognitive, physical, social and emotional development. In Ontario, the Day Nurseries Act sets out required health and safety standards, but does not provide substantive direction on quality program elements.

Child care operators use a variety of program approaches, and program quality varies across the province. Some service system managers set program requirements for child care operators that receive financial support or serve subsidized families, but others do not.

Research demonstrates that children with special needs benefit from inclusive child care environments. In Ontario, special needs resourcing funds are provided to help children with special needs access licensed child care settings. Because local practices vary across the province, inconsistencies exist with respect to the supports available, including the types of service, the intensity and duration of service, and the ages of children who are eligible.

### Objective and Discussion Questions

**Over the next three years, the government will work to enhance program quality and consistency by developing mandatory provincial program guidelines for child care operators. We will also develop an updated framework to support children with special needs and offer new resources and information for parents and providers.**

Provincial program guidelines would build on the work of the Best Start Expert Panel on Early Learning and the principles outlined in Ontario's Early Learning Framework (<http://www.edu.gov.on.ca/childcare/oelf/>). Given that families and communities across Ontario have unique language and cultural needs, the guidelines would be designed to complement a variety of program approaches and would value cultural, linguistic and community diversity. Guidelines would be also be aligned with the draft *Full-Day Early Learning Kindergarten Program* and *Extended Day Program* documents to reflect a developmentally appropriate commitment to play-based and inquiry-based learning, while helping to ensure continuity across early learning settings. In addition, program guidelines could emphasize the importance of physical activity and health and wellness. The government would also develop tools, resources and training opportunities to support child care operators and caregivers as they implement these quality initiatives.

To better meet the needs of children with diverse abilities in licensed child care settings, the government will review and update elements of the special needs resourcing program. These elements could include eligibility criteria, program expectations, administration, scope of practice and qualifications for resource consultants, and supports related to the transition to school.



To strengthen partnerships with parents and families, the government is also interested in building on existing resources and initiatives, such as the Ministry of Education's website on licensed child care, that help parents and families make informed decisions.

To support continued advancement of program quality in child care settings across Ontario, the government seeks your feedback on the following key questions:

- ♦ Based on your experience and knowledge of existing research and evidence, how can provincial program guidelines support program quality?
- ♦ How can program quality be demonstrated and connected to the licensing process?
- ♦ What additional tools or professional development opportunities would be helpful to support ongoing quality improvement?
- ♦ How can we ensure that program guidelines meet the distinct needs of diverse communities?
- ♦ What components of the special needs resourcing program should be reviewed and streamlined (e.g., eligibility criteria, services provided, qualifications for resource consultants)?
- ♦ What resources about program quality could the government develop to help parents make choices about care?



## 4) MODERNIZED LEGISLATIVE AND REGULATORY FRAMEWORK

### *Current Landscape*

The Day Nurseries Act (DNA) and its regulations comprise the legislative framework governing child care in Ontario. This framework provides for the health and safety of children by setting out provincial standards for licensed centre-based and home-based programs. The DNA was introduced in 1946, and licensing standards have not undergone a thorough review since 1983. A review of the framework is needed to ensure it reflects current research and practices that promote quality, health and safety, while meeting the diverse needs of Ontario families and providers.

### *Licensed Child Care in Ontario*

The current definitions within the DNA are broadly stated and could be improved by clarifying which programs require a licence and which do not (e.g., homework/tutoring clubs, summer camps). There are also differences related to private schools under the DNA, as well as different requirements for regulated home-based care providers and unregulated home-based caregivers in the informal sector.

Standards under the current legislative framework related to procedures, equipment, training and professional development are outdated and not aligned with current research and practice. The framework also lacks provisions recognizing the growing maturity of older children.

### *Informal Child Care in Ontario*

The DNA regulates licensed child care programs, but only a fraction of children receive care in licensed settings. Given that the DNA does not apply to informal care, there are no provincial standards for health and safety in the informal care sector. Because many services in Ontario are regulated to protect consumers, parents may sometimes have inconsistent expectations about the protection of children in unlicensed/unregulated home-based care.

### *Objective and Discussion Questions*

**To put the child care sector on the path towards modernization over the next three years, the government will propose legislative and regulatory amendments to reflect up-to-date evidence and experience and to support health, safety and quality for children, parents and providers.**

### *Strengthening Licensed Child Care in Ontario*

The government will review the regulatory standards for child care and ensure they support quality and consistency across the province and are harmonized with standards in other legislation. We seek your feedback on how to improve consistency and clarity in the DNA. We also seek feedback on how to modernize the DNA's standards to enhance health, safety and quality in licensed child care programs.

Given the government's recent commitment to provide after-school programs in schools for six-to-12-year-olds once full-day kindergarten is implemented, we are also interested in investigating ways to support child care operators that deliver programs for older children. For example, a specific licensing category could be created for older age groups that builds on the strengths of a recreation program model and recognizes the different needs and interests of older children while maintaining or improving program quality.

Child care operators in some regions, such as northern, rural and remote communities, face challenges related to small and dispersed populations, which can result in low enrolment. We seek your advice on opportunities to support these operators while working to ensure program quality is maintained. Potential actions could include greater flexibility for family groupings or mixed age groupings, as well as different allowances for space configurations.



Similarly, we seek input on opportunities to support licensed home-based child care providers. For example, providers could potentially be permitted to care for more children in one setting where there is more than one provider, provided program quality is maintained.

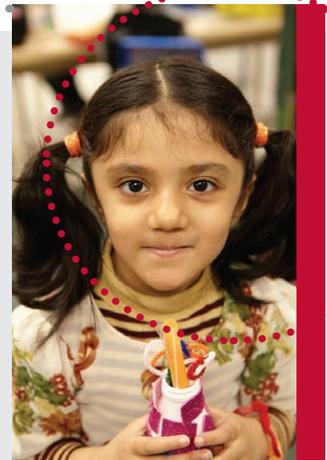
### *Improving Safeguards in the Informal Child Care Sector*

We recognize that many parents choose informal child care arrangements with family members such as grandparents. These arrangements are personal in nature and the government has no intention of regulating them.

Where programs are delivered in the informal sector, we seek feedback about how to assist unregulated home-based caregivers to deliver quality programs and increase the safety of children. For example, the creation of a registry could help the government to communicate with caregivers in the informal/unregulated sector and to provide them with information about program quality, health and safety.

**To support the modernization of the current legislative framework, the government seeks your feedback on the following key questions:**

- ♦ How should standards be updated to improve health, safety and overall quality in child care?
- ♦ How can the government reduce duplication and overlap in requirements for licensed child care providers?
- ♦ How can the government more effectively harmonize standards across legislation as well as regulatory requirements in child care (e.g., numbers/ages of children in licensed vs. unlicensed home care, clarification of programs that do and do not require licences)?
- ♦ As the government looks to deliver on the commitment to provide on-site after-school programs for six-to-12-year-olds, should we consider a new licensing category for older children that builds on the strengths of a recreation program model (e.g., different program requirements for older children, participation in recreation-focused programs)?
- ♦ How could new licensing approaches support home- and centre-based care in smaller, rural and remote communities (e.g., permitting home-based providers to care for more children where there is more than one provider, providing greater flexibility for family or mixed age groupings and space configurations)?
- ♦ How can the government foster quality in informal home-based child care?



## 5) SUPPORT FOR ACCOUNTABILITY AND CAPACITY-BUILDING

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### *Current Landscape*

Data collection and monitoring are critical for public accountability and reporting, and can aid in early identification and intervention to support children with a range of abilities. Currently, the government collects data from those child care operators that have funding agreements with service system managers. This data is primarily focused on inputs and outputs, such as the number of children in a program and how much money is spent. This information should be more clearly linked to program goals and outcomes for children to help ensure that programs are reaching their intended objectives and services are meeting demand.



Accountability and enforcement measures are based on prevention-focused strategies or “last resort” measures, such as revoking licences, which can be disruptive to families. Moving forward, licensing procedures should be designed to reinforce quality and recognize high-performance operators.

Not-for-profit child care centres, which comprise a large portion of centres in Ontario, are governed by volunteer and parent boards. These boards are committed to the best interests of children and families, but may not be well supported in their roles and may have differing levels of expertise. In addition, registered early childhood educators (RECEs) do not have consistent opportunities to expand their educational qualifications or enhance their leadership capacity.

### *Objective and Discussion Questions*

**As the government modernizes child care over the next three years, we will improve data collection, enhance licensing procedures and develop supports for parents and operators to help us better evaluate outcomes, support sector capacity, reduce duplication and improve accountability.**

#### *Data Collection, Evaluation and Reporting*

To better evaluate outcomes and support planning and decision-making, the government is pursuing new methods for collecting information. For instance, the government is interested in collecting information directly from child care operators in order to have information on the entire licensed sector. The government is also considering the introduction of a common provincial child

care registration form and a tool for developmental screening. Similarly, the extension of the Ontario Education Number (OEN) to include children in licensed child care settings could support the government's objectives to set targets for program improvements and measure progress using child-level data.

### *Licensing Compliance*

A move towards risk-based licensing could enable a licensing and monitoring system based on objective criteria such as licensing history. This approach aligns with the government's Open for Business initiative and could encourage compliance by recognizing high-performing child care operators with consistent compliance records. It would also allow for more effective resource allocation to support the health and safety of children in licensed child care.

### *Sector Leadership*

The government is interested in developing a strategy that promotes informed decision-making by supervisors and not-for-profit boards. Supervisors and board members could be supported by training and resources to strengthen their administrative and leadership skills.

**To support accountability and capacity-building in the child care system, the government seeks your feedback on the following key questions:**

- ♦ How can risk assessments help the government use licensing resources more effectively, encourage compliance and reward high-performing child care operators?
- ♦ How can the government encourage quality and licensing compliance (e.g., administrative orders, administrative monetary penalties)?
- ♦ What tools can support program and administrative leadership in child care (e.g., for centre directors and staff, volunteer not-for-profit boards)?
- ♦ How can the government support the use of evaluative tools in licensed child care, including common registration and screening tools, as well as the Ontario Education Number?
- ♦ What information should be collected from operators annually in order to provide a regular cycle of public reporting on the child care system in Ontario (e.g., hours of operators, parent fees, staff compensation)?



## Continuing the Conversation

The key questions in this paper will begin our conversation with the early learning and child care community of Ontario so that together we can improve and modernize our child care system.

Thank you for taking the time to reflect on these questions and share your feedback and advice. We appreciate the work that you do every day in the best interests of children and families. We look forward to continued collaboration as we work towards a high-quality, accessible and coordinated early learning and care system for all children in Ontario.

