

The Honourable Minister of Education Stephen Lecce  
Ontario Ministry of Education  
Toronto, Ontario  
By email: [minister.edu@ontario.ca](mailto:minister.edu@ontario.ca) / [cceya\\_consultation@ontario.ca](mailto:cceya_consultation@ontario.ca)

July 21, 2020

Dear Minister Lecce,

On behalf of the Ontario Nonprofit Network (ONN), we are writing to you to provide insights from the nonprofit and charitable sector for your review of Ontario's Child Care and Early Years Act. **We would like to emphasize that nonprofit licensed child care models are best positioned to strengthen early years and child care as they offer a higher quality of child care, better system stability and health and safety standards, and thus reassurance to enable Ontario parents to return to work with a peace of mind.**

ONN is the independent network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy and services to strengthen the sector as a key pillar of our society and economy. We have been advocating on access to quality child care during the COVID-19 crisis and the re-opening phase because our sector's workforce is 80 per cent women and many nonprofit workers have an urgent need for affordable and high quality child care to enable them to work during the crisis as essential workers and afterwards, as the rest of the economy re-opens.

### Summary of Recommendations

- 1. Expand availability of nonprofit child care across Ontario as they offer higher quality of child care as well as better system stability and health and safety standards** to support parental peace of mind and child care affordability.
- 2. Reinstate the "For-Profit Maximum Percentage Threshold"** in funding guidelines to protect nonprofit child care delivery as it caps the amount of public funding that for-profit child care can access.
- 3. Continue the best elements of emergency child care** by expanding access to flexible, affordable, 24-hour nonprofit child care for parents who need it, using the additional resources provided by the federal government and any matching funds the Ontario Government can provide.
- 4. Ensure that Indigenous led, francophone, and anglophone child care spaces are adequately funded** to provide decent work to their staff, adapt to new pandemic requirements, and create spaces to support parents' return to work -- without increasing fees which are already some of the highest in Canada.

## Further information:

### Decent work and a nonprofit model are critical for high quality child care

Who owns and delivers child care services impacts decent work for the child care labour force which in turn is linked to quality of care through higher recruitment and retention of staff. Numerous studies and policy analyses conducted in Canada and other similar countries on quality of child care highlight that a nonprofit<sup>1</sup> model delivers higher quality, more affordable, and more equitable child care in comparison to a for-profit model.<sup>2</sup>

Low wages, coupled with a lack of health benefits, paid vacation, paid sick days, pension contributions, and little to no professional development create conditions for high staff turnover, low staff morale, increasing staff/child ratios, and group size.<sup>3</sup> This is more likely to be the case in models that have to generate profit to distribute to shareholders, rather than in the nonprofit model which reinvests revenue back into an organization's mission.<sup>4</sup> When the mission takes precedence over profit for shareholders, it is also more likely that priority will be given to accessibility for special needs children. Nonprofit child care offers more high-quality spaces for a given investment and makes child care more affordable for parents.

### Health and safety risks with other child care models

The Child Care and Early Years Act was introduced in the wake of an inquiry into the death of Eva Ravikovich, a two-year-old girl in the care of an unlicensed child care provider.<sup>5</sup> Prior to the change in legislation, it was commonplace for unlicensed providers to have more children in their care than the law allowed. The financial incentive for unregulated providers to take on additional children outweighed the potential fines, which were unlikely to be levied in the first place.<sup>6</sup> It is imperative that any growth in child care be in licensed, nonprofit centres that are subject to a higher standard of care and more stringent health and safety regulations. Allowing an expansion

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<sup>1</sup> Nonprofit model refers to nonprofits and charities for public benefit, driven by a community purpose, consisting of members and supporters rather than shareholders, governed by an elected board of directors, and reinvesting revenue in services. For-profit or private market businesses are entities incorporated with the purpose of generating a profit for owners or shareholders through the provision of services and frequently sold to extract investment and profit.

<sup>2</sup> Child Care Resource and Research Unit [What research says about quality in for-profit, non-profit and public child care](#) (2011); Child Care Now [An Analysis of the Multilateral early Learning and Child Care Framework and the Early Learning and Child Care Bilateral Agreements](#) (2019); Martha Friendly [A bad bargain for us all: Why the market doesn't deliver child care that works for Canadian children and families](#) (2019)

<sup>3</sup> Child Care Resource and Research Unit [What research says about quality in for-profit, non-profit and public child care](#) (2011); Child Care Now [An Analysis of the Multilateral early Learning and Child Care Framework and the Early Learning and Child Care Bilateral Agreements](#) (2019); Martha Friendly [A bad bargain for us all: Why the market doesn't deliver child care that works for Canadian children and families](#) (2019)

<sup>4</sup> Ontario Nonprofit Network [Keeping human services in community hands: Why nonprofits deliver better](#) (2020); Ontario Nonprofit Network [Not for Sale: The case for nonprofit ownership and operation of community infrastructure](#) (2018)

<sup>5</sup> Toronto Star [The death of Eva Ravikovich, the child who changed provincial daycare laws](#) (2017)

<sup>6</sup> Toronto Star [Daycare crisis: Ontario inspections reveal numerous violations](#) (2013)

of for-profit care risks more cases like that of Eva Ravikovich, which would be a tragedy for Ontario parents.

### **Increase in “big-box” chains in child care is concerning for quality and stability**

In 2016, 22 per cent of licensed centre-based child care spaces in Ontario were provided by for-profit businesses.<sup>7</sup> Child care advocates and researchers caution that, over the past decade, for-profit child care has been expanding at a greater rate across Canada than nonprofit, increasing from 20 per cent in 2004 to 30 per cent in 2016.<sup>8</sup> Growth is not occurring through a rise in home-based private child care (licensed or not), but through “big-box” chains, which now make up a substantial portion of for-profit child care centres in Canada.<sup>9</sup>

While we know that on the quality and health and safety fronts for-profit child care is inferior, the recent example of Australia’s big-box child care collapse serves as a warning for its instability. ABC Learning went bankrupt with 1,000 centres left hanging, cost the government \$100 million (AUS) to keep the centres open and took years to re-engineer their child care system.<sup>10</sup> As Ontario rebuilds its economy in the wake of COVID-19, we can’t afford the risk of large chain providers of child care leaving parents in the lurch if their shareholders are unsatisfied with the rate of return.

### **Continuing the best elements of emergency COVID child care**

ONN heard many positive stories about the emergency child care arrangements that were put in place and supported by the Ontario Government during the COVID-19 shutdown. Essential workers who allowed facilities like group homes, hospitals, and women’s shelters to remain open enjoyed no-fee, 24-hour child care with low child-to-staff ratios. ONN has heard that this kind of flexible, affordable care should continue following the initial emergency phase of the pandemic. We urge the Ontario Government to find ways to recognize the important work provided by nonprofit essential workers by funding this kind of flexible child care on an ongoing basis for as many parents as possible. The July 16 announcement of a \$625 million infusion into Canada’s child care systems by the federal government -- ideally matched by a similar provincial commitment -- provides an excellent opportunity to expand flexible, nonprofit child care across Ontario.<sup>11</sup>

### **Child care pays for itself in the long-term**

Affordable and high quality child care enables parents to work, is a significant source of employment in of itself, and ensures children are learning ready, which has positive impacts on their long term well-being and reduces their reliance on social programs down the road. For this reason, it pays for itself. Quebec’s child care model is a great example of this as for each \$100

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<sup>7</sup> Martha Friendly et al. [Early Childhood Education and Care in Canada 2016](#) (2018)

<sup>8</sup> Child Care Now [An Analysis of the Multilateral early Learning and Child Care Framework and the Early Learning and Child Care Bilateral Agreements](#) (2019)

<sup>9</sup> Martha Friendly [A bad bargain for us all: Why the market doesn’t deliver child care that works for Canadian children and families](#) (2019)

<sup>10</sup> Helen Penn [Analysis: Australia - Childcare reformed in wake of ABC collapse](#) (2010)

<sup>11</sup> Government of Canada [Priorities to Safely Restart Canada](#) (2020)

that was invested by the Quebec government in daycare, it returned \$104 to the provincial government and \$43 to the federal government.<sup>12</sup>

We would welcome the opportunity to speak with you at your earliest convenience to discuss nonprofit models, especially as we transition into the reopening and recovery phase. Thank you for your serious consideration on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cathy Taylor', written in a cursive style.

Cathy Taylor  
Executive Director  
Ontario Nonprofit Network

Copy to: The Honourable Minister of Children, Community and Social Services Todd Smith  
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The Honourable Associate Minister of Children and Women's Issues Jill Dunlop  
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<sup>12</sup> Pierre Fortin, Luc Godbout, Suzie St-Cerny [Impact of Quebec's Universal Low-Fee Childcare Program on Female Labour Force Participation, Domestic Income, and Government Budgets](#) (2012)