

UNDERSTANDING USAGE PATTERNS AND OVERSIGHT OF UNLICENSED FAMILY CHILD CARE IN CANADA

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Presentation for the Atkinson Summer Institute, 2 June 2017

Why Are We Talking About This?



Needs a Permit to Operate



Does Not Need a Permit to Operate

Core Issues Animating Our Study

- Government continues to allow unlicensed family child care (UFCC) to operate legally
- Other segments of this sector (i.e. child care centres) experience stringent oversight
- Lack of regulation is striking given the tragedies that have occurred in UFCC

Core Issues Animating Our Study

- We lack basic information about numbers:
 - Number of children cared for in UFCC
 - Number of providers in UFCC
 - Types of families using UFCC across the country
- We lack basic information about quality:
 - Other than recent research from Quebec (e.g. Japel et al., 2005), there is no current information about quality of FCC in Canada, whether it is licensed or not

(see also Perlman et al. 2017; White et al., 2017)

Our Study Goals

1. To get a reasonably accurate estimate of the number of Unlicensed Family Child Care providers in Canada and the provinces (and especially Ontario)
2. To explore the characteristics of families who use UFCC
3. To use the estimates of utilization of UFCC in Ontario to model the cost of government oversight and support of all UFCCs

But first, some background...

What Is Family Child Care? Distinguishing Between “Licensing” And “Regulation”

- Limited regulations govern all family child care (FCC)
- The specific requirements vary by province and territory
- All provinces and territories permit a certain number of children to be cared for in a non-parental setting **without a license**
- We thus use the term “unlicensed” family child care (UFCC) to refer to any form of paid care by a non-family member that takes place outside the child’s home and that does not require provincial or municipal licensing (see also CRRU, 2013; Ferns and Friendly, 2014)

Examples Of Variation In Oversight of FCC Providers Across The Country

- In Alberta, Ontario, Quebec, and Nova Scotia, licensed FCC is delivered through licensed agencies, while in the remaining provinces, individual homes are licensed
 - Newfoundland and Labrador have a dual system where in the cities of St. John's and Corner Brook providers are associated with agencies while in the rest of the province individual providers are independent; however, in both cases the provider is individually licensed
- Being licensed gives providers access to government funding and provide care to subsidized clients. In some provinces, however, (e.g. BC) the ability to care for subsidized children is not tied to licence status

Examples Of Variation In Terminology Used Across The Country

Example of heterogeneity in terminology

Province	Term
Nova Scotia	License-not-required
BC	License-not-required, plus Registered vs. Not registered
Quebec	Recognized vs. Not-recognized
New Brunswick	Approved vs. Not-approved
PEI	Regulated vs. Unregulated
Ontario	Licensed vs. Unlicensed

Examples Of Variation In UFCC Regulation Across The Country

- British Columbia requires a “Community Care Licence” in all situations where there are three or more children unrelated to the child care provider
 - An exception is permitted for three or more children if they all come from the same family
- Saskatchewan permits a maximum of eight children of which no more than five (including provider’s own children) are below school age)
- Most provinces include the provider’s own children (usually preschool) in the limit, although some (e.g. Alberta) do not
- There is also variation in age group composition
- There is just as much variability in licensed care, although the permitted numbers are usually higher

All this Variation

- Make studying FCCs very challenging
- But still, we need information!!

Estimating The Number Of Children In Unlicensed Care

- **Approach 1.** Estimation based on demographic information
 - Number of young children with working parents
 - Minus the number of licensed care spaces (approximately 300,000 in Ontario)
 - Ontario Ombudsman used this approach for children aged 0 – 12
 - Estimates approximately 800,000 children in UFCC in Ontario

But, this makes huge assumptions about what parents and children need/want. Preschool vs. school aged children are different. That's why we focus on preschool only.

Estimating The Number Of Children In Unlicensed Care

- **Approach 2.** Use Statistics Canada surveys of parents
 - Using NLSCY data, Kohen et al. (2008, p. 453) found that 32% of parents report using UFCCs as of 2003.

We use the General Social Survey (GSS). It has several limitations:

- uses the same terminology across the country
- relies on parent survey responses/understanding of ECEC
- Limited amount of disaggregation due to confidentiality issues. Generally, Ontario represents Canada

Despite these limitations, the GSS data can provide a useful starting point for discussion of use of UFCC across the country

General Social Survey

- The General Social Survey (GSS) is one source of data about ECEC utilization across the country
 - large scale survey, collected annually on a range of topics (not all themes are covered each year)
 - Stratified random sample that is nationally representative
 - Oversampled in smaller provinces so there is sufficient data

General Social Survey

- We used data from the 25th cycle collected in 2011
 - 25,000 adults (15+ years) in 10 provinces
 - Child care use information on all children in the family
 - Approximately 1100 families with approximately 2500 young children at the time of the survey. These translate to 1.4 million families with 2.2 million children
 - We focused on families with children between the age of one and prior to school entry (Note: age at school entry varies by province)
 - Collected in 2011

General Social Survey

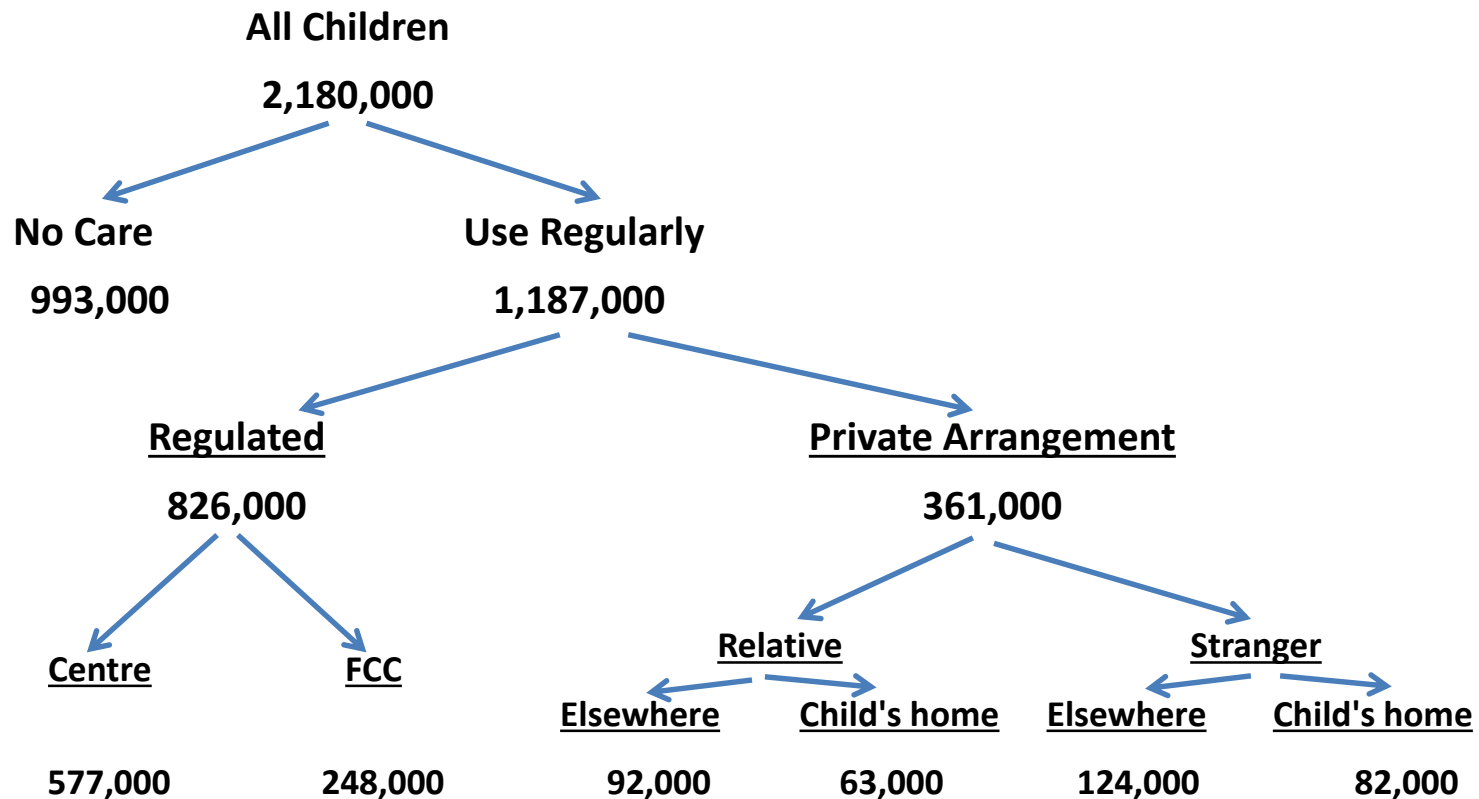
- In “working” families both parents (or the only parent in single-parent households) worked 30 or more hours per week
- Excluded families who had only children under the age of 12 months because the demand for child care is very low for this age group
- Calculated income by comparing each family’s income to the median income in the sample in their province
- We switch back and forth between Canada and Ontario because of restrictions on reporting on the GSS. Generally, Ontario represents the pattern for Canada because of its size

General Social Survey

Some sample demographics:

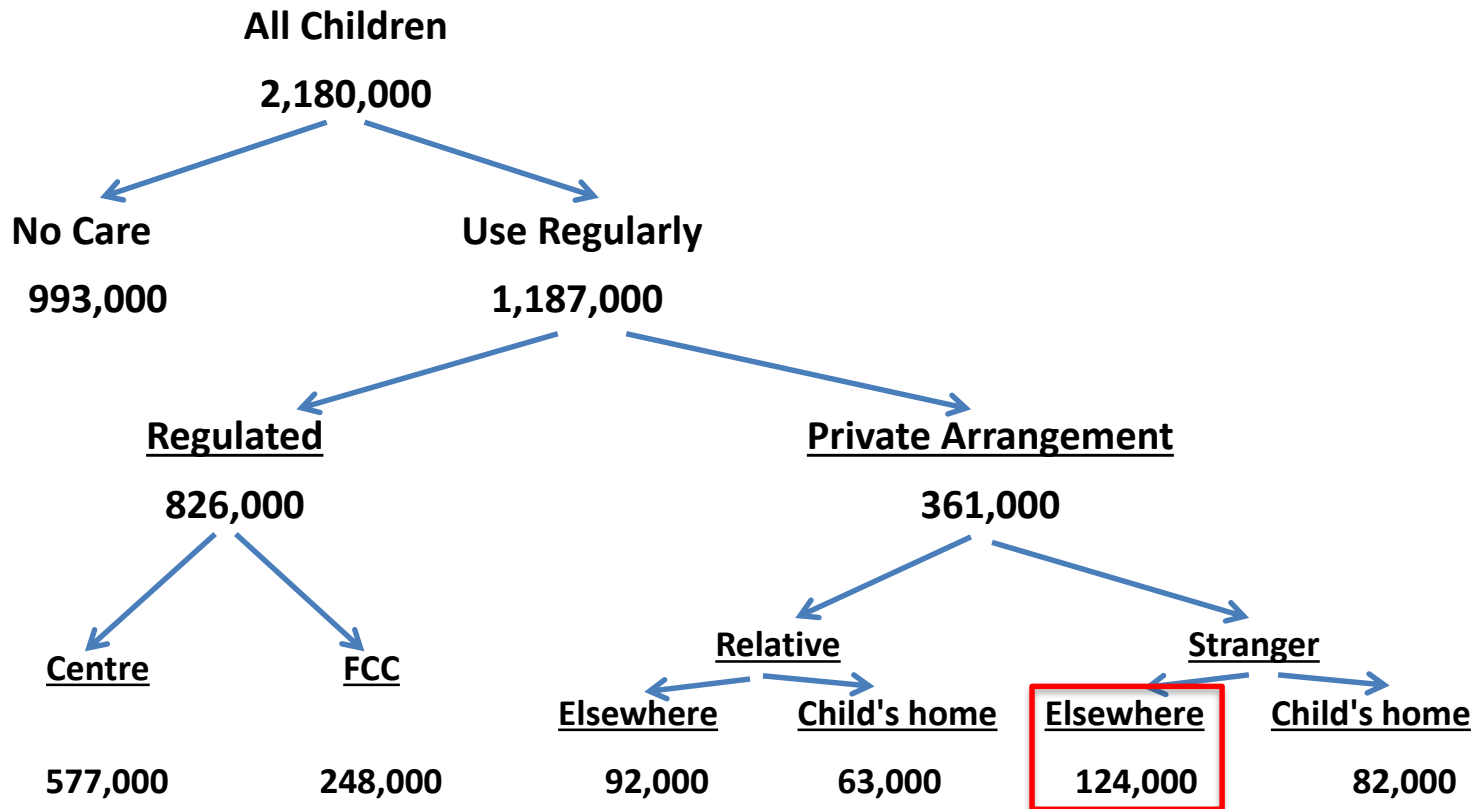
Single Parent Families	13%
Work Regular Schedule (Monday – Friday, daytime hours)	56%
University Educated – Regularly Use CC	40%
University Educated – Never Use CC	28%
Children spending 30+ hours in CC	57%

Children Aged One To School Entry - Canada



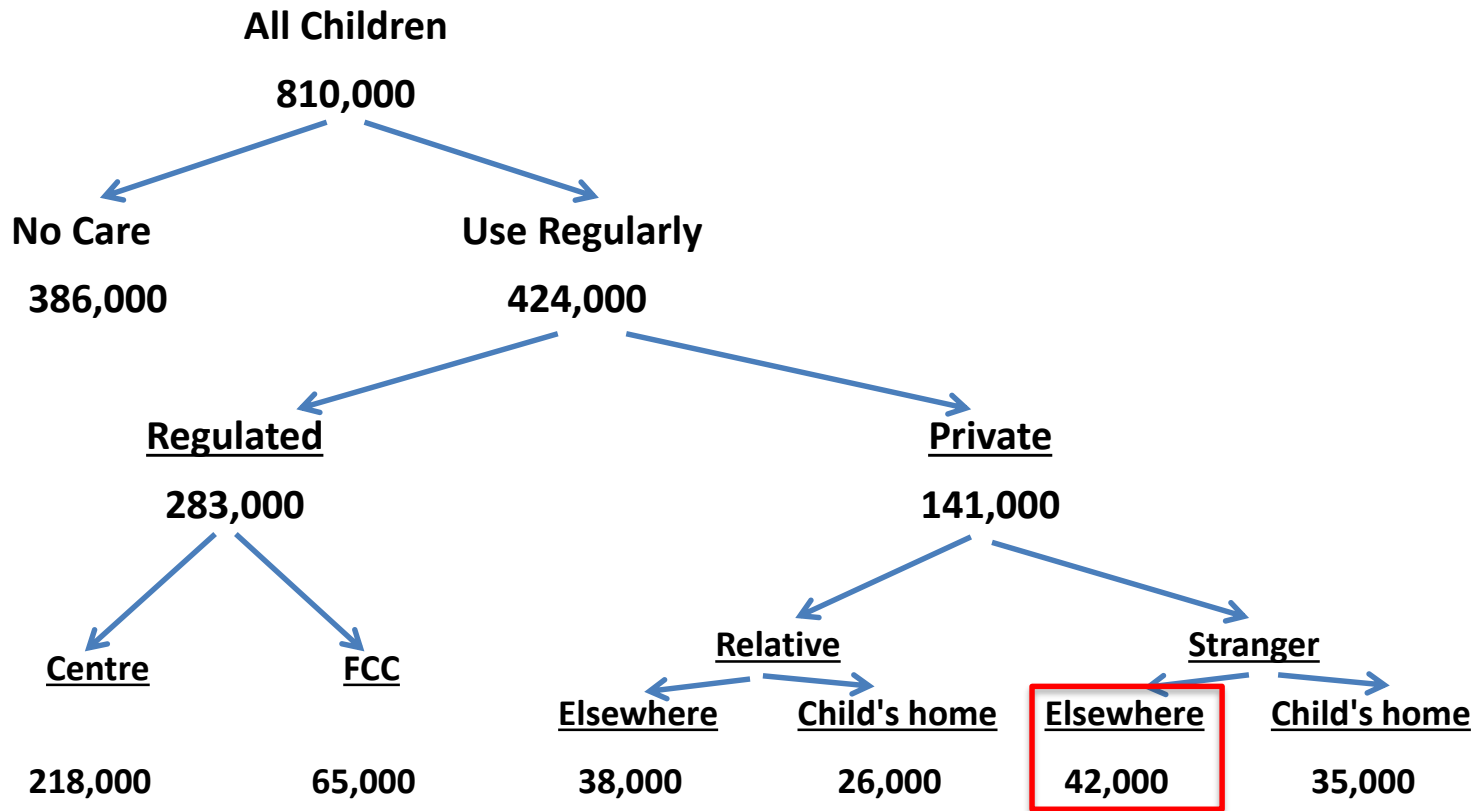
- Includes all families, all children age 12 months to school entry

Children Aged One To School Entry – Canada



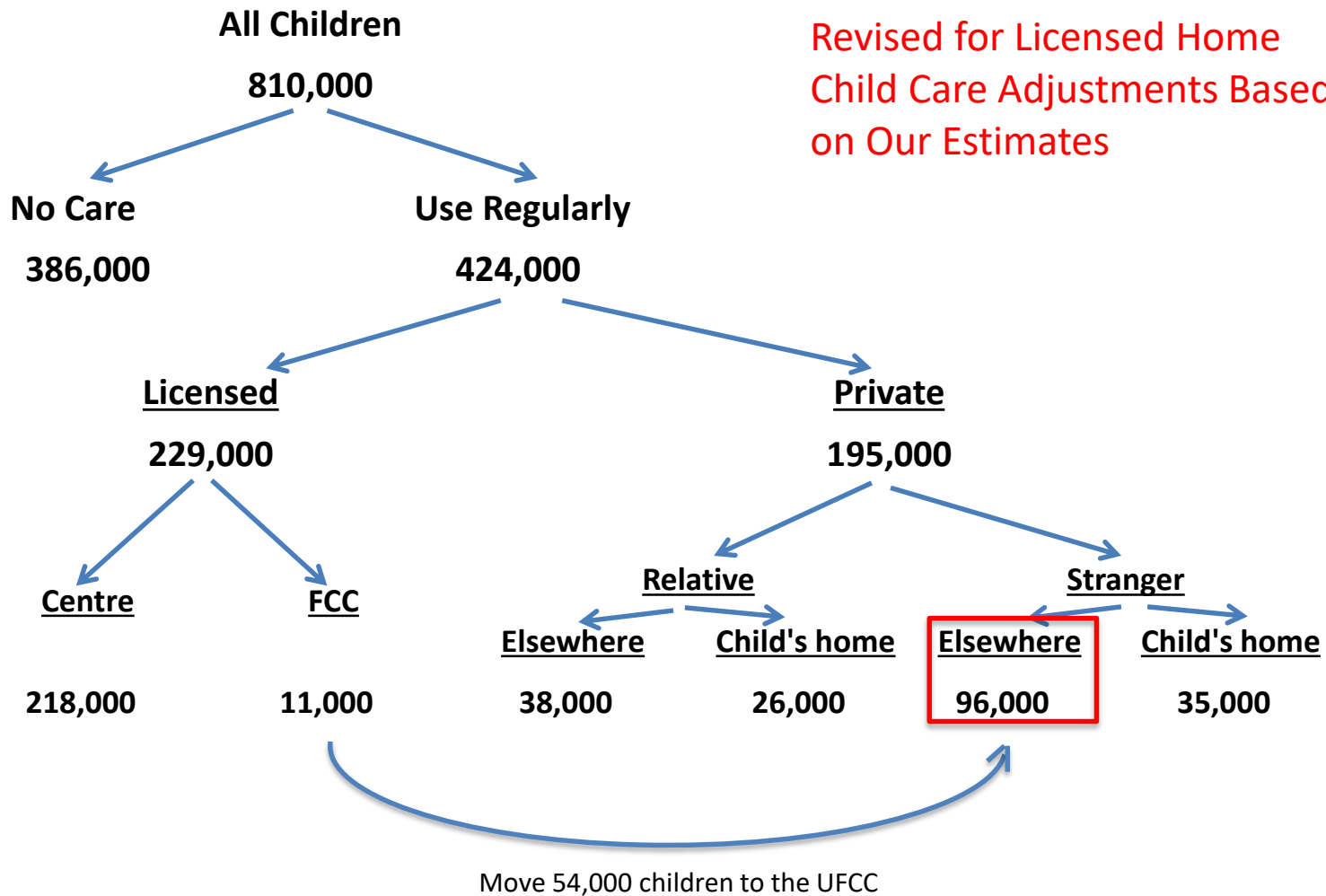
- Includes all families, all children age 12 months to school entry

Children Aged One To School Entry - Ontario

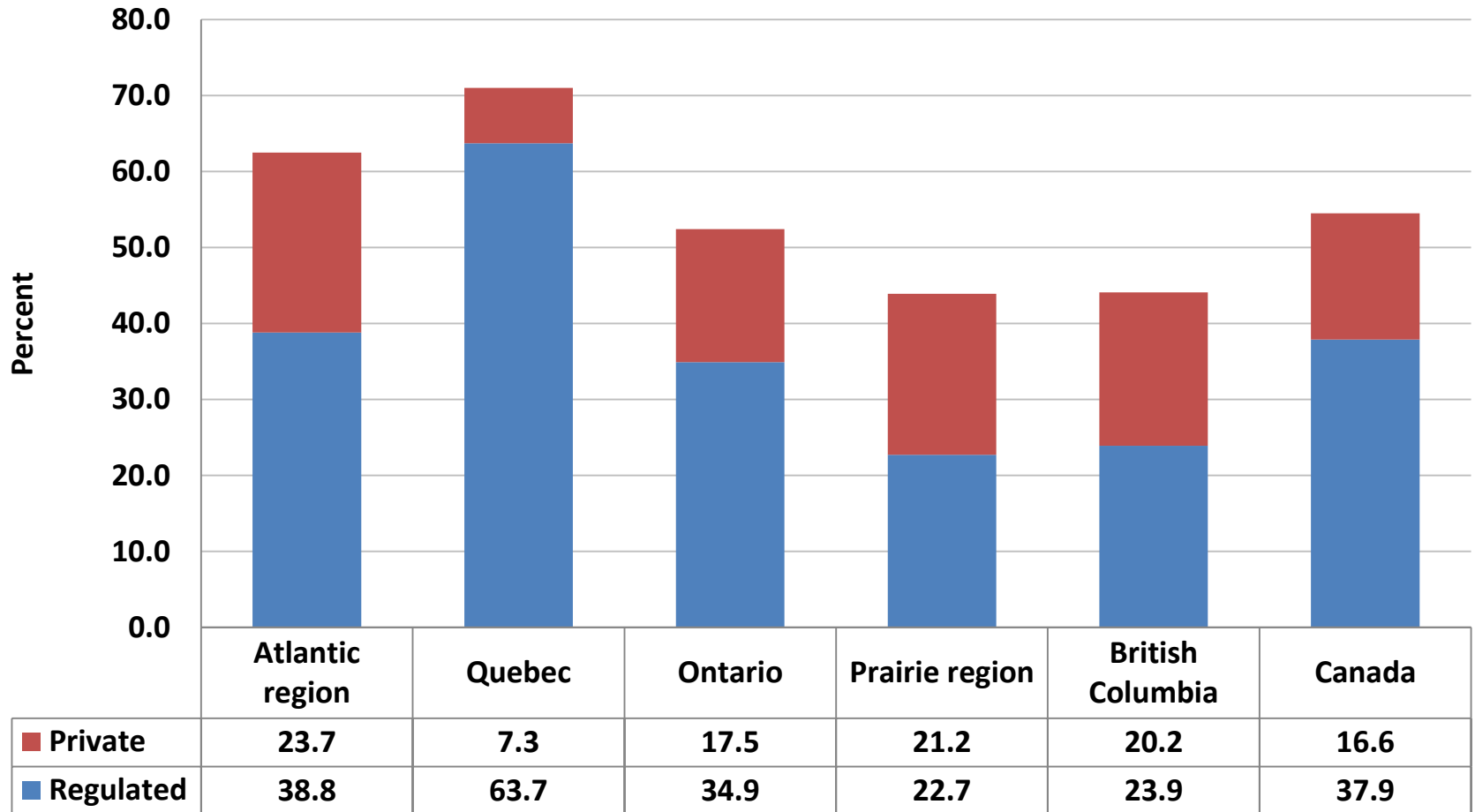


- Includes all families, all children age 12 months to school entry
- But there are only 19,000 “licensed” FCC spaces in Ontario. And we project that about 40% if these are occupied by school aged children

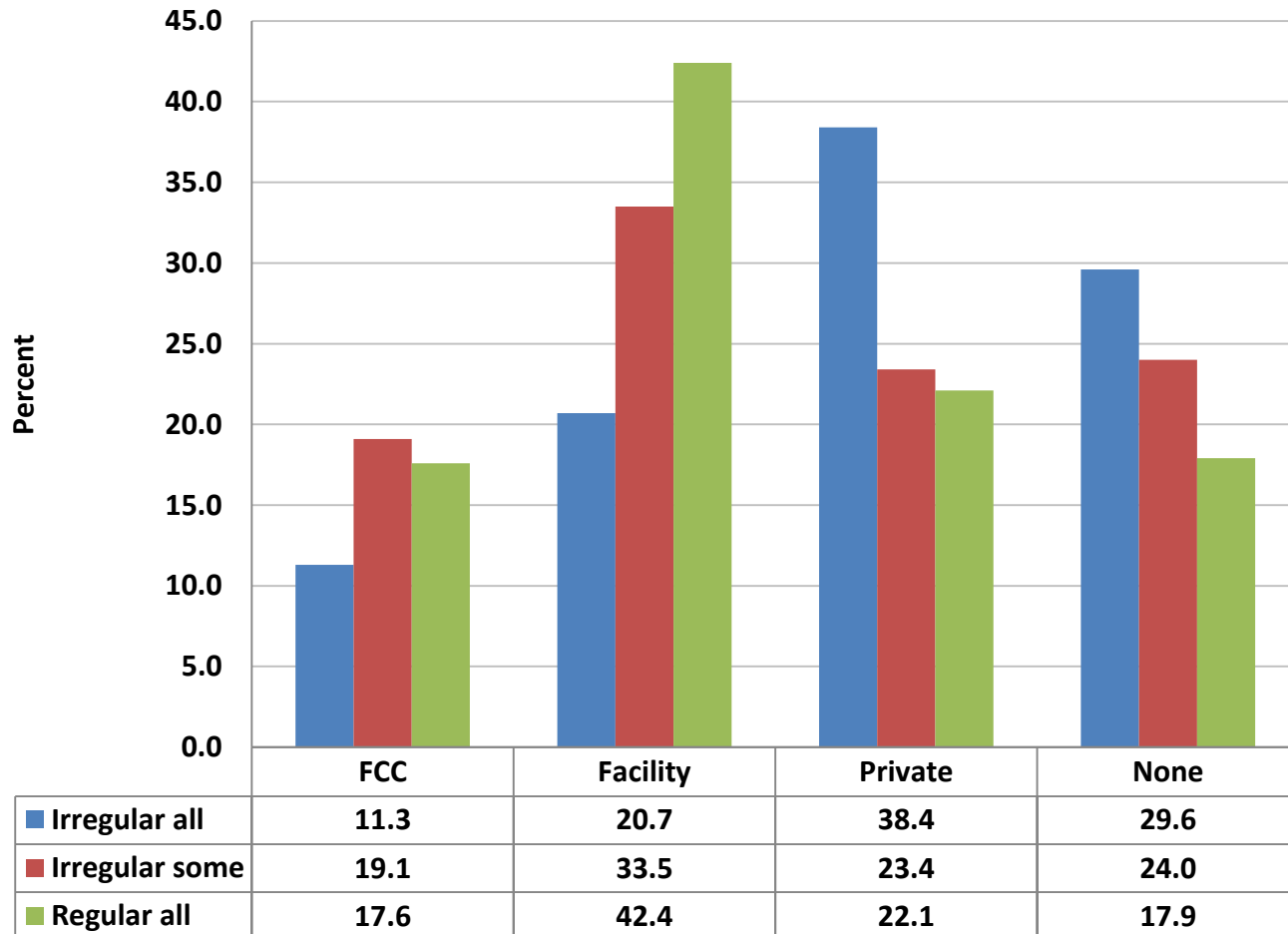
Children Aged 12 Months To School Entry - Ontario



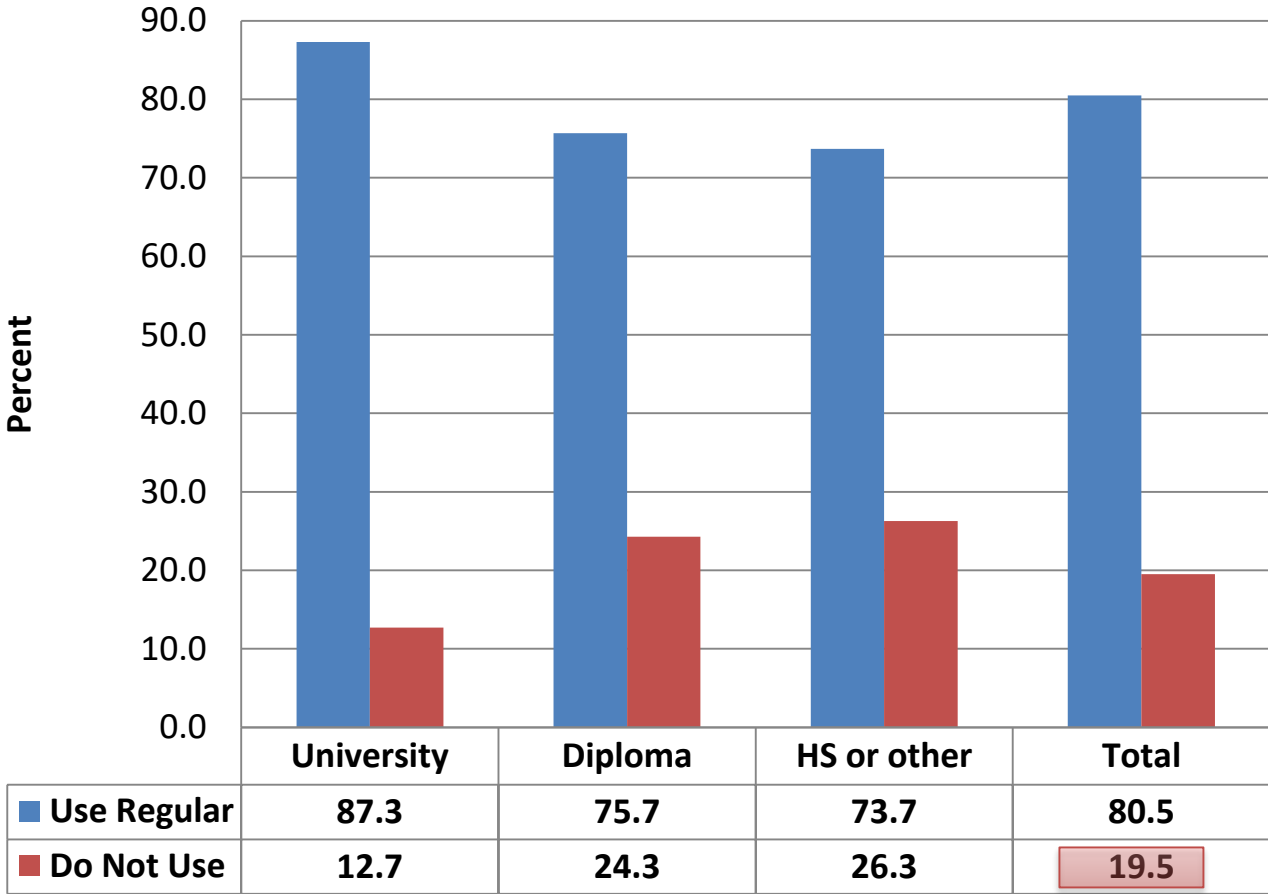
Proportion Of Children Using Child Care Regularly By Region



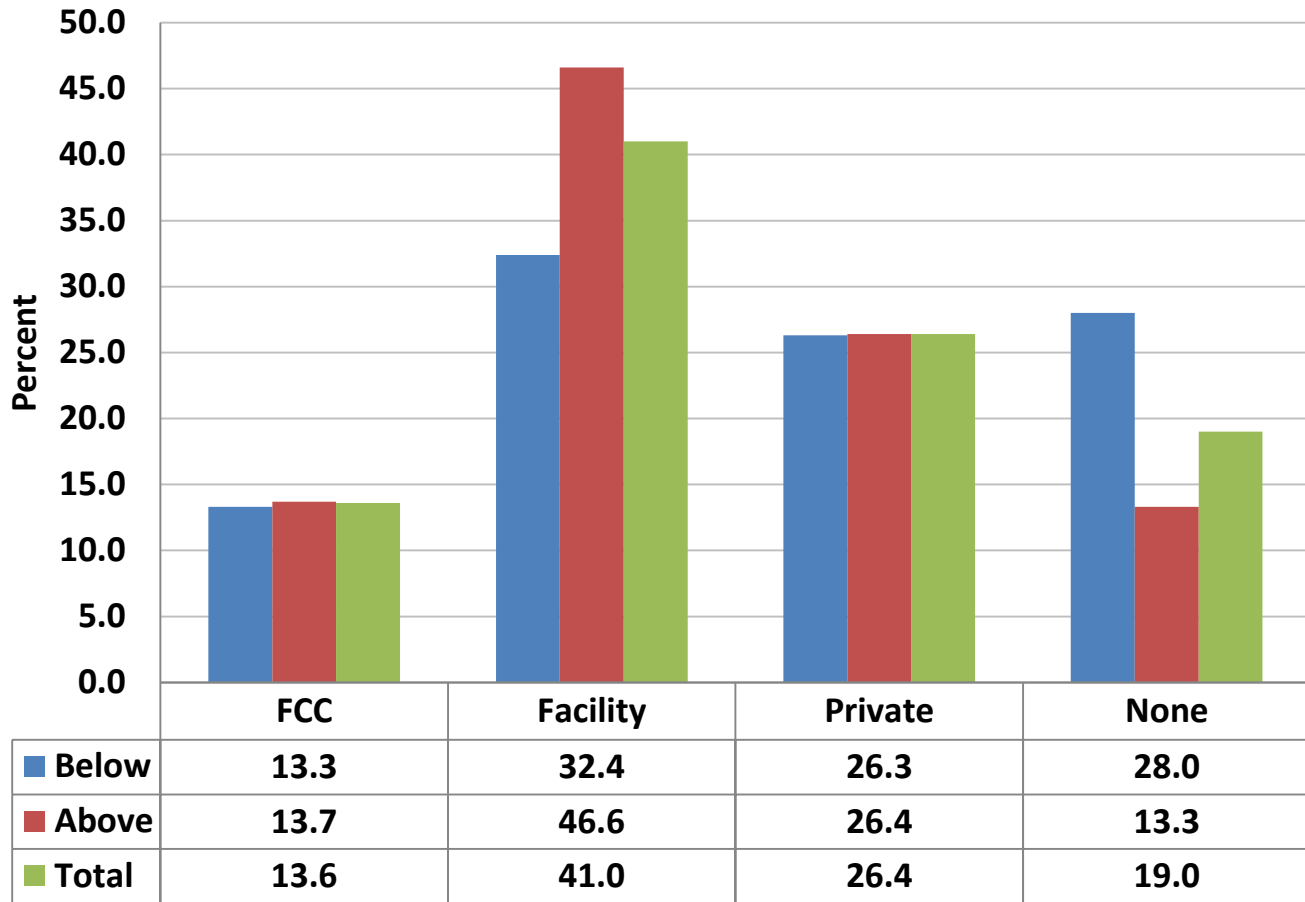
Type of Care Used by Parents' Work Schedule - Canada



Child Care Use By Working Families By Survey Respondent's Level Of Education - Ontario



Type of Child Care Used by Working Families By Income Status (above or below median) - Ontario



Summary of Some Findings

- Some important patterns across the country:
 - **FAR FEWER children are in UFCC than projected by government. Thus, requiring that all FCCs be licensed is a far less daunting task**
 - **Current licensing of FCC serves only about 10% of children in FCCs. Like licensing 1 in 10 hot dog stands...**
 - 20% of working parents of young children have NO child care. This is higher for low income families
 - Some parents are confused about how to respond to even very basic questions about their child's ECEC arrangement
 - When given the option (i.e., in Quebec), parents opt for regulated care
 - High SES families are over represented in centre care

An Alternative Model of Oversight And Support For ALL Children Attending FCC Providers

- What would a model that provides more oversight and support to ALL FCC providers look like?
- What would implementing such a model cost?

Background to Licensed Family Child Care In Ontario

- The following is based on data from Toronto. It may not reflect the rest of the province but there are no publicly available data for other regions
- Licensed family child care:
 - Serves primarily low- income families
 - Approximately 90% of children are subsidized
 - Is located primarily in low income neighbourhoods
- Generally, providers get paid much less than they could make in private arrangements (depending on market conditions)

An Example From My Neighbourhood

- Provider with an agency that serves subsidized children receives approximately \$40 per day per infant, with possible additional wage grants
 - The agency receives a fee close to \$10 per space (any age)
- Infant fee for a day of care with the WeeWatch chain (licensed but without a subsidy contract) is \$56 (including a 30% agency fee); additional wage grants are possible
- The average rate for any age of child in informal home child care provider is \$61 per day (daycarebear.ca search for East York)
 - The provider gets to keep all income
- **There is a strong incentive for providers to operate outside the licensed system**

A Possible Model – Integrate FCC Into The Early Years System

- Every home in which unrelated children regularly receive care for a fee must be licenced
 - Definitions must be worked out!!!
 - Provider retains the ability to set rates and/or enter into a contract with the system manager for provision of subsidized child care

A Possible Model – Integrate FCC Into The Early Years System

- To be licenced, the FCC provider must:
 1. Undergo annual health and safety checks conducted by Public Health and Fire Prevention officials
 2. Undergo annual in-home quality assessment conducted by an independent, trained observer
 3. Participate in a monthly visit at a nearby hub/centre (such as OEYC or an Early Years and Child Care Centre)

A Possible Model – Integrate FCC Into The Early Years System

- The “hub/centre” staffing consists of two specialists working as a team who will:
 - Provide professional development opportunities
 - Have the opportunity to assess (broadly) each child’s development, help to develop individual plans as required and arrange for special needs assessment and supports as required
- The “hub/centre” supports the provider through:
 - Registry/referral
 - Equipment loans
 - Administrative support including, potentially, fee collection
 - Back-up service arrangements

Assumptions Underpinning Our Model

- The “hub/centre” must be conveniently located for the FCC providers
 - If necessary, the staff rather than caregivers will have to travel to meeting sites
- There may be variability in how the model is implemented based on local circumstances such as urban/rural differences
- Staffing of the “hub/centre” will consist of highly trained RECEs, equivalent to child care centre supervisor with additional training as required

Costing The Model For Ontario

- Estimated that each UFCC cares for 3-4 children???
- Number of homes requiring a licence = 30,000
 - Currently “licensed” via agency model = 3667
- Licensing Visit = $\$350 \times 30,000 = \10.5 million
 - may have to be borne by the provider to maintain independent contractor status, this happens with dog walkers
- Cost of an independent annual quality assessment (2hours) $\$100 = \3.0 million
- Cost of staffing the centre/hub for estimated 188 hubs (est. includes admin costs) = $\$33.8$ million

Costing The Model For Ontario (part 2)

- Total model cost = \$52.0 million, including licensing
- Total current agency cost \$25.8 million (est.)
- Comparing current vs. proposed

	Current	Proposed
Number of FCCs	3,667	30,000
Children served	11,000	95,000
Agency cost / provider	\$7,046	
Proposed cost / provider		\$1,736

Conclusion

- The proposed model of licensing and support would integrate FCC into the Early Years and Child Care system
- It would include 8 times more homes and approximately 90,000 children below age of entry to school
- The cost of the proposed model, on a per provider basis, is less than a quarter of the cost under the current current agency model

Conclusion

- Every child in FCC is entitled to a safe, high quality experience
- This model of licensing and integration of every FCC provider into Ontario's Early Years System is one way of achieving this goal

References

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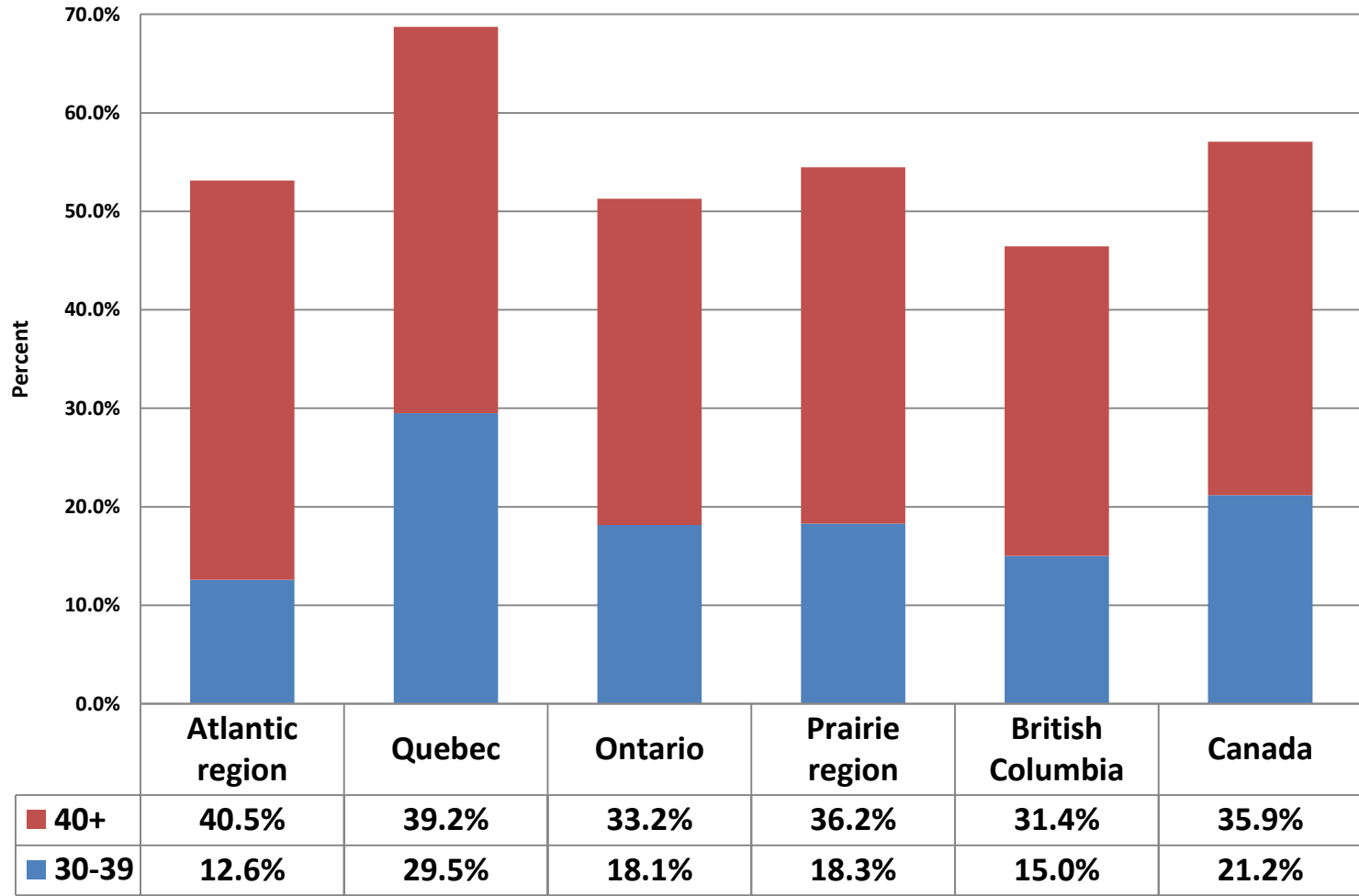
Additional Slides

Working Families Without Infants by Type of Care - Canada

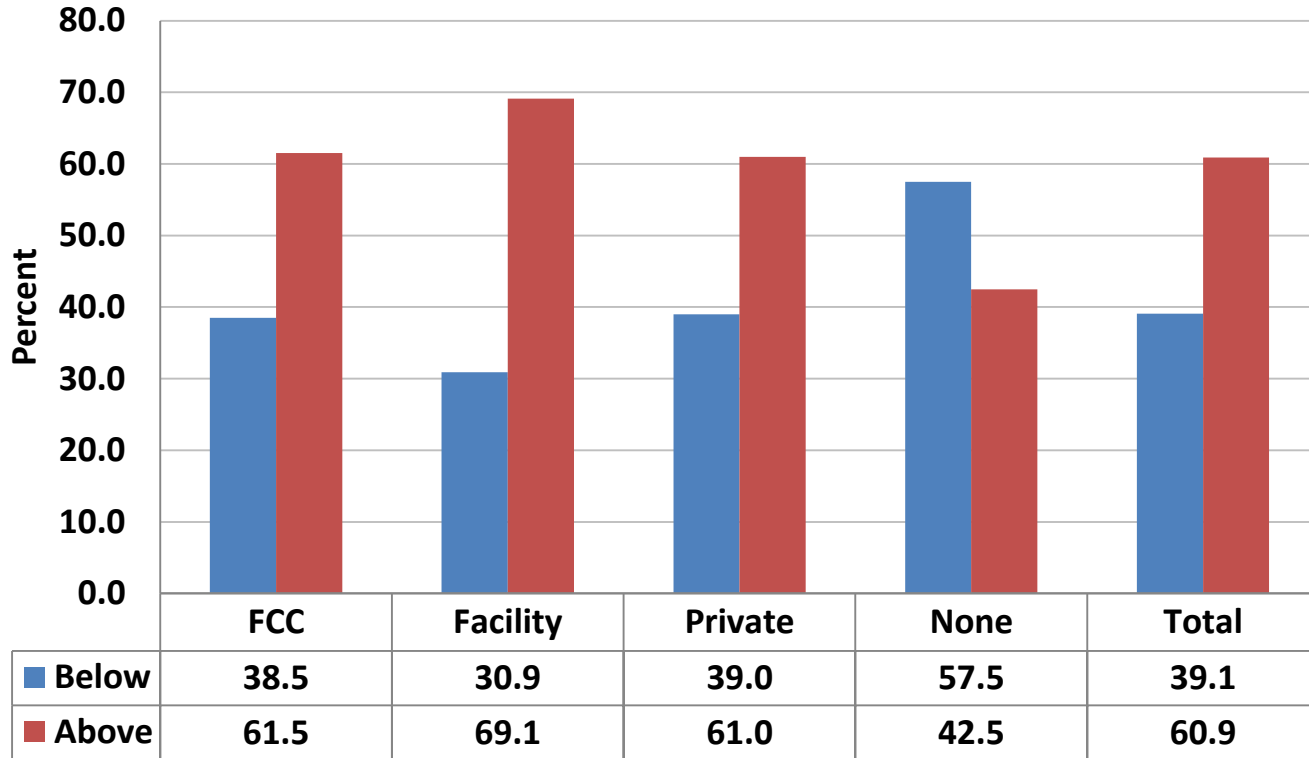
Family type	FCC	Facility	Private	None	Total
One parent	14.9	38.5	30.4	16.2	100.0
Two parents	17.9	37.2	23.0	21.9	100.0
Total	17.6	37.4	23.9	21.1	100.0

Family type	FCC	Facility	Private	None	Total
One parent	11.1	13.4	16.5	9.9	13.0
Two parents	88.9	86.6	83.5	90.1	87.0
Total	100.0	100.0	100.0	100.0	100.0

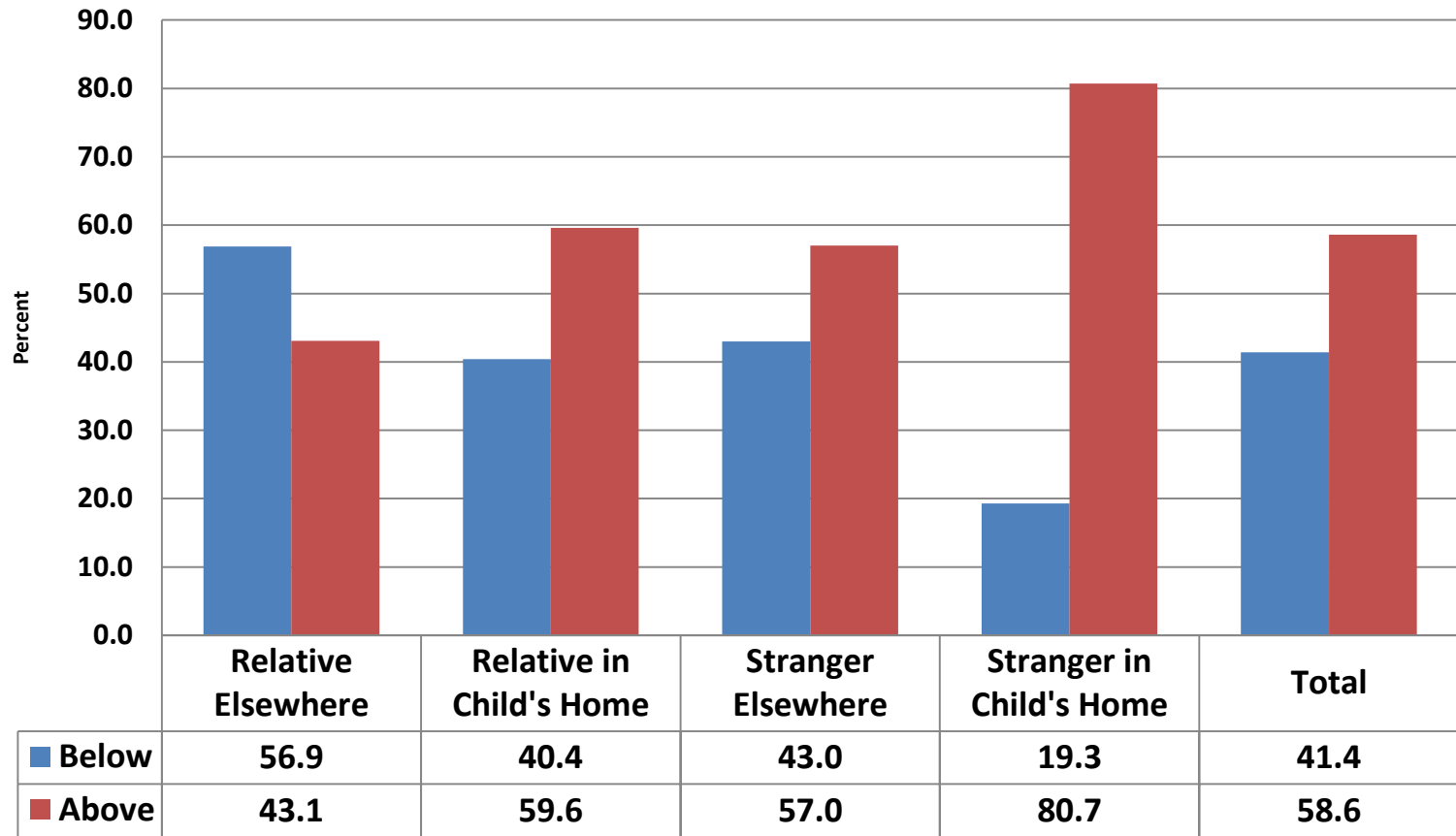
Weekly Hours of Child Care Use



Type Of Child Care Used By Ontario's Families By Income Status



Informal Child Care Users by Income Status (above/below median) - Canada



Child Care Use By Families Engaged In Full-time Work Or Study (30+ hrs/week) By Survey Respondent's Level Of Education - Canada

