Equity in Early Childhood Systems: Beyond the Funding Formula

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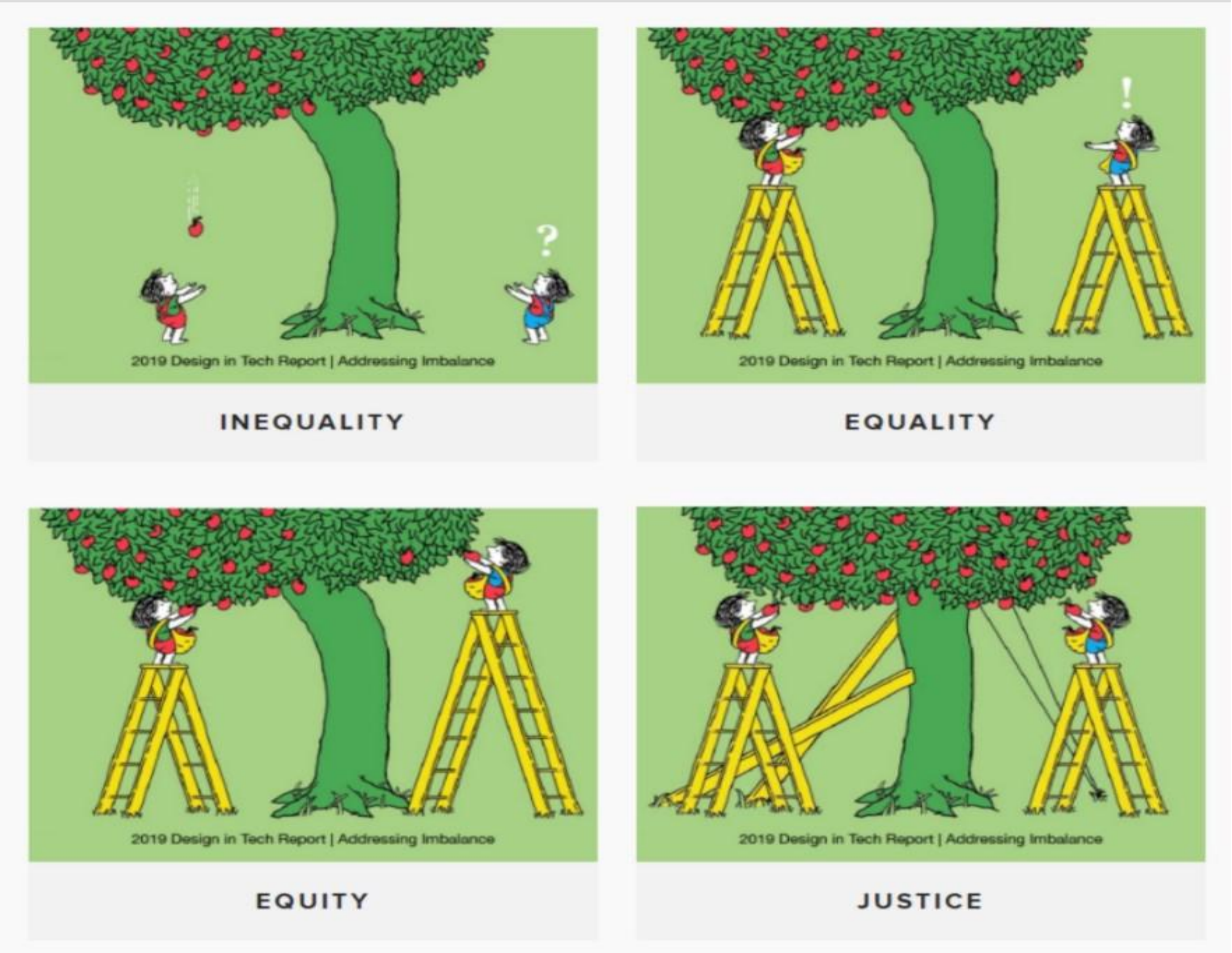
Disclaimers

- Nothing in this presentation should be taken as an argument for abandoning the CWELCC and for replacing it with some version of the voucher and tax credit approach intended to assist families with their child care expenses

- Reasons for using a lot of Toronto data
  - Data scarcity
  - Publicly available program quality data
  - My own workplace background

Some Concepts

- Equity vs Equality
- Universality vs Targeting
- Matthew Effect
- Path Dependency
- Social Investment Strategy



Universality in ELCC

- An important concept that can become very contentious
  - availability to all who need (want, require) access
- 2004 intergovernmental introduction of QUAD principles; universality actually meant “Universally inclusive”
- Introduction of FDKG and the long-term expectation of extending to younger children
- Missing from the 2017 Multilateral ELCC Framework
- “Proportional Universality” – European Union and OECD recommending focusing on equity through focused targeting

Multilateral ELCC Framework (2017)

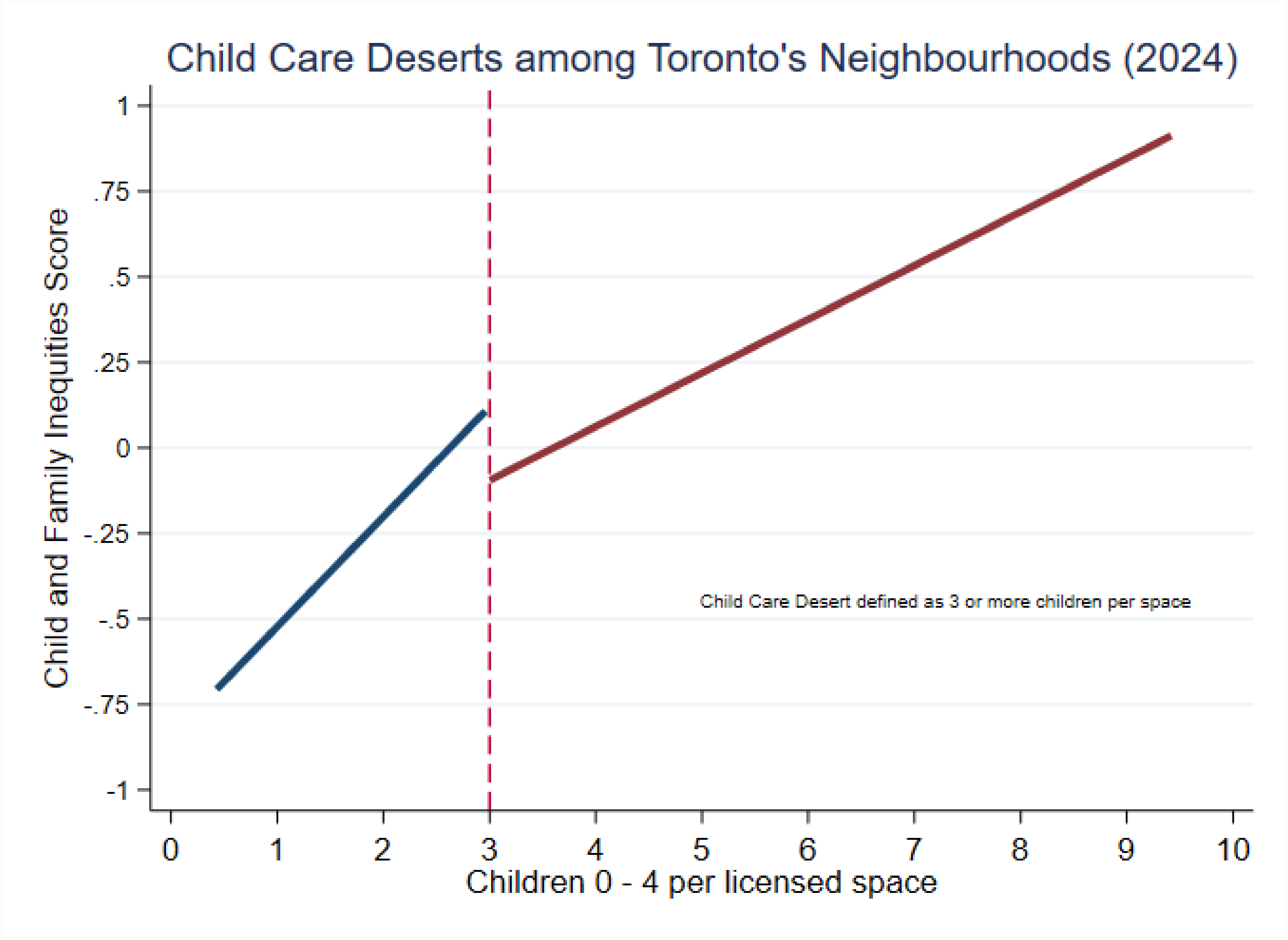
- Principles
  - High-quality ELCC
  - Accessible, affordable and flexible
  - Inclusive
- Principles alone are not enough in the current market environment
- Regardless of their auspice status, programs must operate as commercial enterprises in order to survive The Framework carried over into the CWELCC in 2021

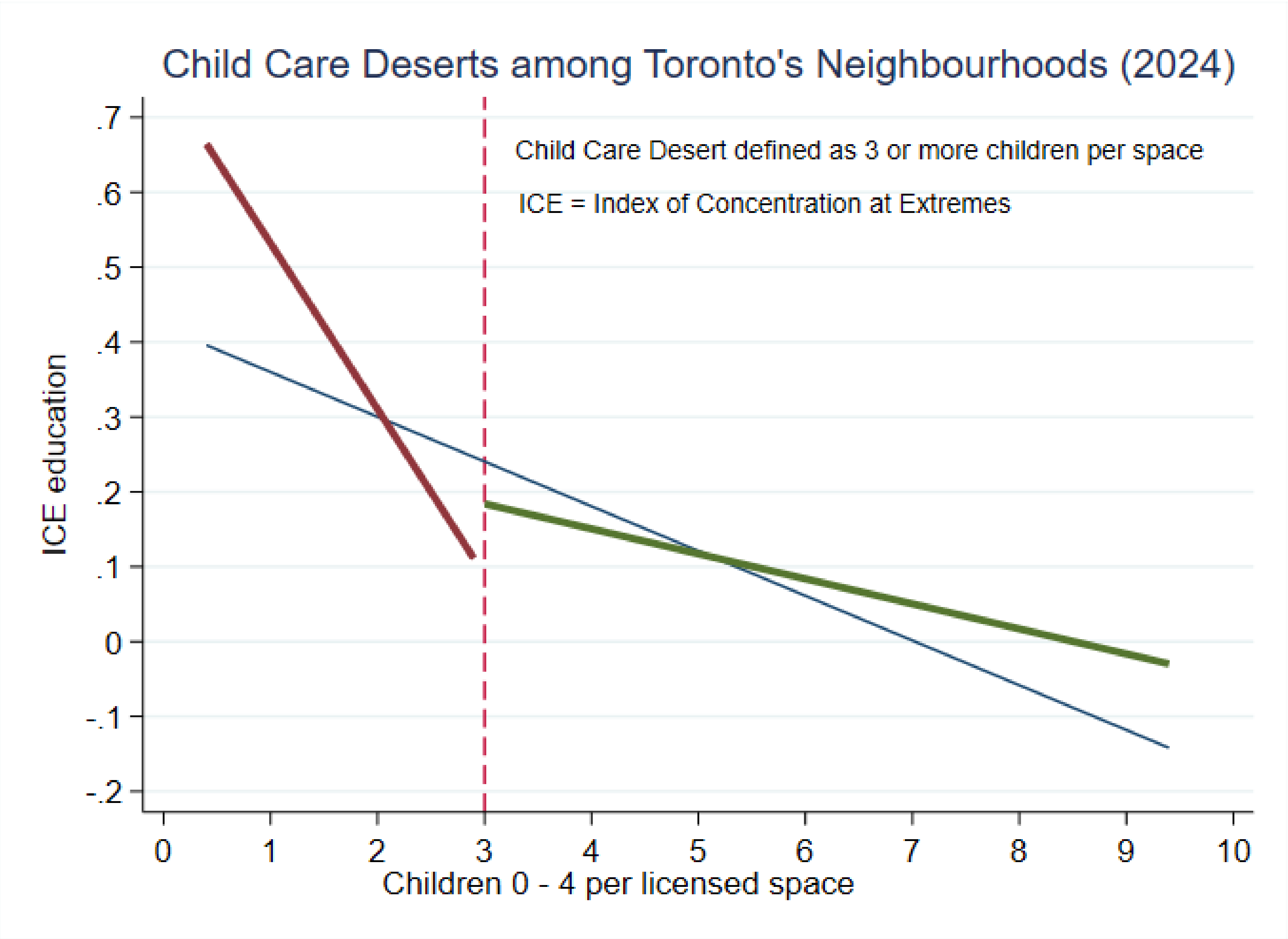
Inequities in CWELCC

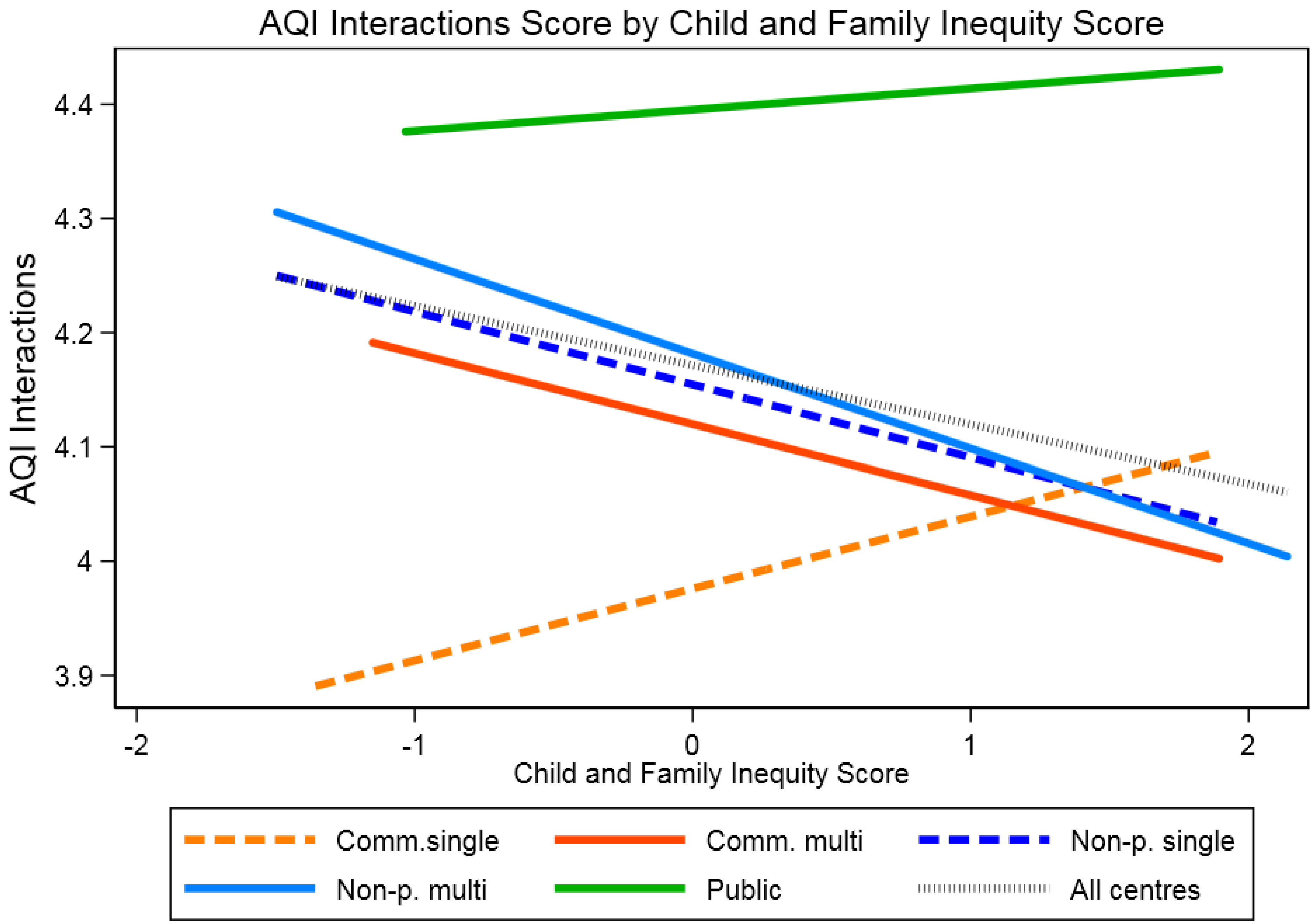
- Access
  - Supply of Spaces lags behind demand
    - Operating vs Licensed capacities
    - Staffing shortages
  - Accessing the Spaces…. Waitlists and priorities
    - Crowding out of low-income families; “Matthew Effect of accumulated advantage”
    - Not all CWELCC funded programs accept subsidized children
- Quality
  - Measured as measured by proportion of qualified staff- target 60%
    - Misreported by including “Otherwise Approved” (66% vs 59.5%)
  - Evidence of program quality is not available; quality assessments are ineligible for administration funding

Neighbourhood effects ($r(460)=-.159$, $p<.001$)

	"Richest" (N=62)	"Poorest" (N=118)	Difference	t (two tailed)	*p*
AQI Interactions score	4.27	4.10	.16	3.54	<.001
Hourly Supervisor wage	$35.46	$31.35	$4.11	3.59	<.001
Hourly ECE wage	$23.29	$20.89	$2.40	3.51	<.001
% ECE hours	75.9	66.6	9.3	3.41	<.001
% Subsidized	19.5	65.7	-46.1	-13.36	<.001
% One Parent Family	47.1	61.8	-14.7	-4.13	<.001
CFIS	-1.06	1.19	2.25	-48.82	<.001
% Low Income	10.0	37.9	-27.9	-36.18	<.001
% Low Mother Education	4.1	23.1	-19.0	-21.31	<.001
% Inadequate Housing	9.3	43.2	-33.9	-35.22	<.001


Child Care Deserts among Toronto's Neighbourhoods (2024)
Child and Family Inequities Score
1
.75
.5
.25
0
-.25
-.5
-.75
-1
Child Care Desert defined as 3 or more children per space
0
1
2
3
4
5
6
7
8
9
10
Children 0 - 4 per licensed space


Child Care Deserts among Toronto's Neighbourhoods (2024)
Child Care Desert defined as 3 or more children per space
ICE = Index of Concentration at Extremes
ICE education
.7
.6
.5
.4
.3
.2
.1
0
-.1
-.2
0
1
2
3
4
5
6
7
8
9
10
Children 0 - 4 per licensed space


AQI Interactions Score by Child and Family Inequity Score
AQI Interactions
4.4
4.3
4.2
4.1
4
3.9
-2
-1
0
1
2
Child and Family Inequity Score
Comm.single
Comm. multi
Non-p. single
Non-p. multi
Public
All centres

Profiles of Lowest and Highest Quality Programs

	Lowest (N=90)	Highest (N=89)	Difference	t (two tailed)	*p*
AQI Interactions score	**3.63**	**4.61**	**-.98**	**-42.28**	**<.001**
Hourly Supervisor wage	**$31.31**	**$35.29**	**$-3.99**	**-3.86**	**<.001**
Hourly ECE wage	**$20.62**	**$23.73**	**$-3.11**	**-5.61**	**<.001**
% ECE hours	**65.7**	**75.2**	**-9.46**	**-3.55**	**<.001**
% Subsidized	**52.5**	**38.8**	**13.8**	**3.32**	**<.001**
% One Parent Family	**59.2**	**49.3**	**9.9**	**2.77**	**<.01**
CFIS	**.31**	**-.09**	**.40**	**3.65**	**<.001**
% Low Income	**27.6**	**22.4**	**5.1**	**3.53**	**<.001**
% Low Mother Education	**15.4**	**10.7**	**4.7**	**3.77**	**<.001**
% Inadequate Housing	**31.2**	**23.3**	**7.9**	**4.38**	**<.001**

Staffing Shortages – “Otherwise Approved”

(from an FOI request submitted by B2C2 in 2025)

Largest number

	Otherwise Approved Program Staff	% licensed capacity
Ottawa	254	8.9%
York	196	5.0%
Toronto	99	1.4%
Halton	82	3.9%
Durham	81	3.9%
Simcoe	75	6.6%
Prescott & Russell	43	16.1%
London	41	3.6%
Niagara	37	3.9%
Hamilton	35	2.5%
Windsor	35	3.6%
Peel	29	0.9%
Cornwall	27	13.9%
Greater Sudbury	25	5.6%
Waterloo	21	1.6%

- The percentages in these two slides are calculated against licensed capacities
- Provincial average = 3.9%; 1,331 staff
- Operating capacities are usually not publicly available
  - In Toronto the difference was 15,176 spaces,
  - Requiring at least 1,195 program staff with 646 having the legislated qualifications
- The “Otherwise Approved” and “Director Approval” data should be readily available to every service manager

Staffing Shortages – “Otherwise Approved”

(from an FOI request submitted by B2C2 in 2025)

Largest percentage of licensed spaces

	Otherwise Approved Program Staff	% licensed capacity
Prescott & Russell	43	16.1%
Cornwall	27	13.9%
Algoma	10	11.4%
Kenora	13	11.0%
St. Thomas	17	10.2%
Ottawa	254	8.9%
Muskoka	8	8.3%
Leeds & Grenville	15	8.2%
Timiskaming	6	8.1%
Renfrew	12	7.6%
Bruce	12	7.3%
Manitoulin-Sudbury	5	7.0%
Simcoe	75	6.6%
Rainy River	3	6.4%

Smallest percentage of licensed spaces

	Otherwise Approved Program Staff	% licensed capacity
Parry Sound	0	0.0%
Peel	29	0.9%
Toronto	99	1.4%
Waterloo	21	1.6%
Kawartha Lakes	2	1.8%
Lanark	3	2.1%
Wellington	9	2.1%
Norfolk	4	2.2%
Northumberland	3	2.3%
Huron	2	2.3%
Hamilton	35	2.5%
Sault Ste Marie	4	2.5%
Chatham-Kent	7	2.6%
Dufferin	5	2.6%
Cochrane	5	2.8%

Challenge of managing equity on a local level

- Is it possible to ensure quality without observational measurement?
  - Using proxies such as the percentage of trained staff and PD hours is problematic
  - Using “common knowledge” is dangerous
    - Licence status is not a measure of quality
    - Non-profit status is not a guarantee of quality
    - “Raising tide” does not lift all boats
- Quality assessments such as AQI are relatively cheap and necessary for evaluation of the effectiveness of quality initiatives
- The path to equity leads through neighbourhoods and communities

Within the constraints of the funding formula

- Target expansion in high need neighbourhoods
- Introduce compensatory funding such as increasing proportion of trained staff, where warranted
- Explore/expand direct delivery options
- Focus PDs on equity; deliver on site in high need neighbourhoods
- Consider funding QRIS initiatives through evaluation of PDs and needs assessments
- Work with school boards to move all 4-12 programs to schools and replace with 0 - 4 services; expand board delivered extended day programs

Ensure access for low-income families

- Reduced CWELCC fees resulted in increased demand beyond the system's ability to accommodate low-income families
- Low-income clients cannot afford daily fee of $22 per child, while subsidy fee covers all children in the family
- Unlike "full fee" families, subsidy eligibility criteria require meeting social need criteria
- Additionally, the children of "undeserving" parents are excluded; the research shows that they can benefit most from access to high quality ELCC
- Protect access for subsidy eligible families through admission priorities for each CWELCC program
- In 2027 the Ministry may adjust funding levels when targets are not met

Thoughts for OMSSA – working together

- Taking advantage of the provincial reporting framework, create common database for analysis, planning and advocacy
- Publicly report on differences between operating and licensed capacities
- Secure ongoing access to “Director and Otherwise Approved” data
- Advocate for the ability to fund and deliver quality assessments and improvements activities
- Advocate for changes to the current subsidy eligibility criteria
- Advocate for prioritizing human and physical infrastructure before proceeding with the next reduction in user fees
- Advocate for using equity frameworks

Final thoughts

- CWELCC is not a transformational program in its current form
- There is not a clear path for a transition from the current hodgepodge market system to an "universal, as of right" system
- A large-scale investment from the federal or provincial government in the near future is unlikely; do not delay dealing with the equity gaps until the next tranche of government funding
- And even if a significant funding expansion occurs, what structural changes would be necessary to guarantee progress toward equitable ELCC system in Ontario?
- Finally, the question that must be asked: How much longer are we willing to tolerate the existing equity gaps?

Sources and ideas discussed in the presentation

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