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## **Official Report of Debates (Hansard)**

**Thursday 30 March 2006**

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**Jeudi 30 mars 2006**

**Standing committee on  
public accounts**

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Ministry of Children  
and Youth Services

**Comité permanent des  
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Chair: Norman W. Sterling  
Clerk: Katch Koch

Président : Norman W. Sterling  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

## COMITÉ PERMANENT DES COMPTES PUBLICS

Thursday 30 March 2006

Jeudi 30 mars 2006

*The committee met at 0948 in committee room 1, following a closed session.*

### 2005 ANNUAL REPORT, AUDITOR GENERAL MINISTRY OF CHILDREN AND YOUTH SERVICES

Consideration of section 3.04, child care activity.

**The Chair (Mr. Norman W. Sterling):** Good morning, Ms. Wright. The normal process for our committee is to have you lead off with a statement, and I thank you very much for giving us all a copy of that statement, and then you might want to introduce those who are sitting with you. If you call forward anyone else from your ministry to assist you during the question period, you might want to introduce them at that time or have them introduce themselves. The floor is yours.

**Ms. Judith Wright:** Thank you very much, Chair, members and the Auditor General and his staff. I am pleased to be here to talk about the Auditor General's recommendations on child care.

With me I have Lynne Livingstone, who is the executive director of the Best Start and Early Years programs. Beside Lynne is Alex Bezzina, the newly appointed assistant deputy minister for the program management division, which is the division that is responsible for the regional offices in the ministry. Each of these two people has responsibility for aspects of the auditor's recommendations and will be pleased to respond to them during the discussion period.

I would like to begin by recognizing that the Auditor General's recommendations have provided valuable input and direction as we undertake child care improvements in Ontario. As you know, the Auditor General released the child care audit in early December as part of his annual report to the Legislature. Today, I'm pleased to speak to the progress that has been made over the past few months in implementing the recommendations, as well as the steps we are taking to address those recommendations.

First of all, I'd just like to give a brief overview of the child care system in Ontario. The system consists of two types of child care: informal, which would typically be provided by relatives and friends, and licensed care. The auditor's report and the focus of today is on the licensed programs, which encompass both private home daycare

agencies and child care centres that are subject to the Day Nurseries Act and its regulations.

Ontario currently has about 3,950 licensed child care centres and 140 private home daycare agencies. Together they serve approximately 220,000 children, from newborns to age 12. Licensed child care is delivered through municipalities in Ontario. The province's 47 consolidated municipal service managers and the district social service administration boards are the province's key partners in delivering child care services.

Each manager is responsible for planning, delivering and managing its own local system within the legislative and policy framework established by the province. The ministry negotiates a separate agreement with each manager. Funding for child care services is generally cost-shared and is based on these agreements.

With the exception of the new funding through Best Start, the province funds 80% of the prescribed services. These include fee subsidies, wage subsidies, special-needs resourcing and resource centres. Administration costs are shared 50-50. In the unorganized communities, the province funds 100% of the costs.

Ontario's provincial-municipal partnership in delivering child care services is unique in Canada. The province and the municipalities share a commitment to delivering safe, reliable, high-quality and affordable child care to communities across the province.

This partnership has been evident in the municipalities' commitment to implementation of Best Start, which has been a major focus of the ministry. Best Start was initiated by the province in November 2004 to support the healthy development of children. Its key elements are designed to improve the quality of the early learning and child care system in Ontario, and its goal is to help more children be ready to learn and achieve success by the time they reach grade 1.

In 2004-05, the province and its municipal partners created more than 4,000 new subsidized child care spaces. Further, municipal officials have indicated that with federal funding from last year, approximately 8,500 new child care spaces will be in place by the end of this month. Municipalities expect this number to grow to approximately 14,000 new spaces by September. Many of these spaces are being established in schools, in keeping with the objectives of Best Start. The ministry is implementing the Best Start vision in three demonstration

communities: the district of Timiskaming, Hamilton and Lambton-Chatham-Kent.

I would now like to turn briefly to the specific recommendations of the Auditor General's report. I will begin with the recommendations that relate to quality child care. As you know, the Auditor General identified the need for a child care curriculum framework, better guidance to child care staff and appropriate professional development and educational requirements for all child care workers.

The Day Nurseries Act details the program and staffing requirements that currently exist in delivering quality child care in the province. The government's commitment is to build further on this. Last year, two expert panels were set up to provide expertise and input into two key quality areas of child care. The first, the expert panel on an early learning framework, has been charged with developing a framework that supports a seamless transition from early learning to formal education.

A report by the Organisation for Economic Co-operation and Development highlights the importance of such a framework, stating that an early learning curriculum contributes to quality by providing the clear goals and outcomes that support optimal development for children. The panel is currently developing a framework that will link preschool learning with programs in junior and senior kindergarten. Again, the focus will be on helping children be able to enter grade 1 well prepared. The ministry looks forward to receiving this report in the fall of this year.

While the framework is indeed critical, a child's positive experience while in licensed care is equally determined by the quality of child care staff. I'd like to recognize the important contribution of all those who work within the system and are dedicated to the children in their care.

The Auditor General pointed out the relation between qualified staff, the delivery of quality programs and better outcomes for children. The second expert panel on quality and human resources is focused in this area. Research shows that human resources is a most critical factor in predicting quality in early learning and child care services.

The expert panel is currently examining such key issues as qualifications of staff, standards for professional development, recruitment and retention, and training. We look forward to receiving this report in the fall as well.

Work is also progressing on the creation of the College of Early Childhood Educators. The proposed college will be responsible for setting qualifications and standards for ECE professionals and establishing requirements for professional development.

I would also like to note that this past December, as per the Auditor General's recommendation, the ministry's regional offices were directed to review child care centre files to make certain that appropriate documentation about early childhood education qualifications and exper-

ience of child care centre supervisors was up to date and on file.

The two expert panels I discussed will help us ensure a quality child care system across Ontario. The Auditor General's recommendations on licensing and inspection will help us strengthen the foundations of this system. These recommendations focus on improving the nature of licensing inspections to better assess quality in child care services.

In response, the ministry is updating the licensing checklist and manuals so they reflect the most recent requirements for compliance and documentation. The new checklist will confirm, for instance, a staff list, the age groups of children with whom staff members work and the hours they spend with children. This will help verify that staff-child ratios are maintained.

These updated materials will be completed in the fall. Licensing inspectors or program advisers will be fully trained in the new requirements.

Under the Day Nurseries Act, ministry staff has responsibility for inspecting child care facilities to enforce licensing requirements. To better support this goal, we recently established a licensing and compliance review working group within the ministry. It provides a structured forum for regional program and compliance managers to plan for and manage the requirements of licensing and compliance functions. It also allows them to better share information and best practices and identify training needs.

The ministry is also moving forward on an on-line licensing system that will be maintained in real time. A pilot test of the system has just been completed. When fully operational, it will improve monitoring and give program advisers immediate access to the most recent information when they're on-site at a child care facility.

We all recognize how very important it is for children to be safe, secure and well-protected at all times. Incidents that involve serious injuries, restraining a child or allegations of abuse in child care must be reported within 24 hours to the ministry.

The Auditor General found that reports and follow-up reports on serious occurrences were not occurring on a timely basis, which therefore limited the timeliness of corrective action. The ministry is committed to improving this critical area. Policies and procedures are in place to ensure that serious occurrences are reported and reviewed, and we have directed the regional offices to improve monitoring of compliance.

The Auditor General also noted that fee subsidies are inconsistent across the province. As mentioned earlier, municipalities manage the child care system and therefore determine eligibility for child care fee subsidies. Currently, eligibility for child care subsidies is based on a needs test. The government is committed to changing this and moving to an income test. The ministry is currently developing a model for an income test to determine eligibility for fee subsidies. This new income test will be applicable province-wide and will provide greater fairness and standardization across the province. In

accordance with ministry policy, regional offices were directed in December to review a minimum of 5% of fee subsidy files.

I want to briefly address the question of managing and analyzing wait-lists raised by the Auditor General. Again, I'd like to note that municipalities are responsible for planning for the delivery of child care at the local level, including setting targets for services to be provided. Local managers are able to conduct a comprehensive analysis, which reflects local priorities and helps to ensure fairness in the system.

The Auditor General raised concerns with respect to wage subsidies, and we are pleased to move forward in addressing them. To address the auditor's concerns, the ministry has provided revised wage subsidy guidelines to the local system managers. These guidelines give direction on the distribution of wage subsidies and wage improvement funding to child care workers.

Regional offices have also been notified of the importance of monitoring that wage subsidy funds are spent in accordance with program requirements. Regional offices are also undertaking a 5% review of wage subsidy files and, again, results will be fully analyzed to ensure compliance.

As I mentioned earlier, the expert panel for quality and human resources is examining a full range of child care human resource issues, including compensation. We look forward to its recommendations, and we'll continue to work closely with our municipal partners on this important matter.

The ministry has also taken steps to address key recommendations related to strengthening financial accountability in child care.

With respect to the submission and approval of budgets, an advisory group was set up to confirm that data required by the ministry on child care was relevant. This review is now complete, and improved data requirements have been included in the budget package for 2006-07. We are also updating child care service management requirements across all program areas.

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Further, the ministry's governance and accountability framework includes a transfer payment business cycle checklist. The 2006-07 budget package directs the regions to use this checklist as a tracking tool to ensure overall better performance in providing child care services. We are continuing to provide training on transfer payment business process and accrual accounting to regional staff.

The ministry has also taken several steps to ensure that management information systems provide sufficiently detailed, relevant and accurate information to allow informed funding decisions and identify actual-to-budget variances.

As well, the ministry is upgrading the Ontario child care management system to link each consolidated municipal service manager with the ministry. This will give the ministry direct access to child care system data.

This initiative will be in place by June, and will help strengthen accountability in the child care service system.

Finally, I would like to speak to the status of the federal funding under the early learning and child care agreement. Last year, as the members are aware, the Ontario government signed a five-year, \$1.9-billion agreement with the government of Canada to support early learning and child care programs in Ontario. As you are also aware, the new federal government has provided notification that it will terminate this agreement in 2007-08. For 2006-07, Ontario will receive a one-time final transfer payment from the federal government of \$254 million. The recent Ontario budget announced that this \$254 million will be allocated over four years, which is the life of the original federal agreement. This will provide \$63.5 million per year to support the implementation of Best Start and stabilize the system.

In allocating these resources, the government has a key priority: to sustain and secure the spaces that municipalities have created. The government will combine this payment with new funding from the 2003 multi-lateral framework agreement. This will result in \$122.5 million available for Best Start this fiscal year, growing to \$142.5 million. As I mentioned, the goal is to secure and sustain the approximately 14,000 licensed child care spaces that municipalities have indicated they will create by September.

There is strong evidence that high-quality early learning and care are important for a child's learning and future success. Studies have found that children who are ready to learn when they start school are more likely to complete their education, find employment and make positive contributions to society.

In concluding, I want to once again highlight the ministry's partnership with the consolidated municipal service managers and the district social service administration boards, and recognize the superb job they do in planning and managing the delivery of child care in communities across Ontario.

I want to recognize the school boards, child care operators and advocates, children's health professionals and parents who join us in our commitment to a quality child care system. I particularly want to thank the child care workers, who care so well for the children and whose contribution is critical to their future success.

I also want to thank the committee members for your interest in this important issue, and for taking the time to raise your concerns. Your comments will help the ministry and its partners support the best child care services possible.

**The Chair:** Thank you very much. I have just one general question before we go to the members. There are 220,000 children who are being served under the licensed program. I presume the 140 private home daycare agencies are licensed as well. Are they?

**Ms. Wright:** Yes.

**The Chair:** How many children are out of the program? In other words, in Ontario we've got 220,000 who are in the program. How many are in—

**Ms. Wright:** Are in informal care?

**The Chair:** No. I mean how many kids are there from zero to 12 in Ontario?

**Ms. Wright:** I'm sorry; I don't have that figure. You're trying to ascertain how many are in licensed child care versus how many are in informal child care?

**The Chair:** Or are just outside of the system.

**Ms. Wright:** Lynne just indicated about 10% to 12% of children in Ontario are in licensed child care. I don't have the figure of the number of children from zero to 12 in Ontario.

**The Chair:** Then there would be about two million kids in this category overall in Ontario.

**Ms. Wright:** That's probably about right. Yes.

**The Chair:** Somewhere around there.

**Ms. Wright:** Thank you, sir.

**The Chair:** Okay. Questions?

**Mr. David Zimmer (Willowdale):** There's of course a distinction between compliance issues and quality-of-care issues. I gather that the compliance stuff has to do with licensing checklists and deals essentially with health and safety issues; the quality side of it deals with the quality of care and development opportunities etc.

Reading through the report, what just popped up was that they haven't got the curriculum guidance marked, and it should be. The really interesting thing was the suggestion that the staff at the ministry responsible for that oversight themselves tended not to have backgrounds in early childhood care or equivalent kinds of experience. What's the plan to get the staff up to scratch, up to the skill set, so they can effectively oversee this issue?

**Ms. Wright:** Just to be clear, the staff in the ministry are actually the staff that are responsible for licensing and ensuring that the licensed child care centres are in compliance with the requirements.

**Mr. Zimmer:** Right. The issue is, on the quality side, that they tend not to have the early childhood care background or equivalent kind of educational experience.

**Ms. Wright:** We're taking a number of steps. One is, as I referenced in my presentation, that we're actually updating a number of the manuals that are related to the process of licensing. We're updating them to incorporate new information, but also to incorporate a more detailed description of what those are. The manuals are the basis on which staff do their licensing. We will update those manuals and then we will do training with the staff on those manuals.

In addition, as I indicated, we have set up within the ministry a compliance manager working group. The purpose of that working group actually is to enable staff to share both information and best practices, but also to enable them to identify what additional training needs they have in order to be able to do their jobs as best as they can.

**Mr. Zimmer:** That's on the compliance side. On the quality side, what's the plan?

**Ms. Wright:** The distinction between quality and compliance is not quite as clear as you're making it. There are a number of aspects of what we look at in

licensing or what I would call quality as well. For example, the one highlighted by the auditor himself was that we do check to ensure that the staff in centres have the qualifications that are necessary for them to be in those centres and to work with children. The staff that actually do the licensing and compliance also look at aspects that I would call our quality, such as staff qualifications and the existence of certain program elements. Perhaps Lynne could expand a bit more on that, if that would be helpful to you.

**Mr. Zimmer:** Not to press the point, but I thought that around pages 84 and 85, in that area, there was a suggestion that the staff was primarily trained and skilled in compliance issues but not so much in the educational development side of things in the early childhood care curriculum. Am I right in that?

**Ms. Wright:** You're right in the very specifics of the curriculum, partially because we don't actually have an early learning curriculum yet. We're just in the process of developing one. That's what the expert panel is going to be working on and will be reporting to us in the fall. There is an expert panel, as I mentioned, on an early learning framework. We need to, obviously, develop the framework and put it in place. As part of putting it in place, we will be training staff on it. But at this point they don't have an expertise in, you're right, an early learning curriculum because, as I said, it doesn't exist yet. But they do have a certain expertise on some of the quality elements, which is what I was referring to, related to staff qualifications and some other parts.

**Ms. Lynne Livingstone:** The licensing staff have basic qualifications in either early childhood education or they have a social service diploma, as well as a sound knowledge of children's services, healthy child development, special needs, resourcing; those are the basic qualifications. Their job is to look at the requirements under the Day Nurseries Act. As the deputy indicated, the requirements for licensing under that act cover a wide range of areas that do impact on quality. They cover staff qualifications, child-to-staff ratios, the kind of programming that should happen, nutrition, the physical environment.

So the compliance aspect is linking the requirements to what they see.

The enhancement on the quality front is around further developing the curriculum expectations, as the deputy has indicated. That's what our expert panel on the early learning framework will provide for us.

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**Mr. Zimmer:** What kind of dollar resources are you going to put into that latter exercise?

**Ms. Wright:** It's a bit premature to answer that question, because we actually have to look at what the learning framework is going to be. Once we actually get the expert panel, we'll have a better sense of moving forward and what the precise details of that are going to be.

**Mr. Zimmer:** Just so I understand, that sort of exercise might deal with something like how to develop a

child's reading skills in one of these centres, that sort of thing.

**Ms. Livingstone:** What that panel is looking at is the developmental continuum of children, what are the outcomes that you would expect at certain age groups for that child, and trying to be clear about what would contribute to positive outcomes.

What that group is also doing, which is an important aspect of the Best Start plan, is not just looking at that in isolation; they're looking at how they can achieve those goals and link to the JK-SK program so there's a continuum for children so they'll do well when they hit grade 1.

**Mr. Zimmer:** My last question in this round then is, how many service providers in the last year or the last couple of years have been disciplined, if that's the right word? What's the disciplinary process, if "discipline" is the right word, how many licences have actually been lifted, and what are the consequences of that for the children in the centre, if a licence gets lifted? How do you bring the hammer down on a centre that's not doing what they should be doing?

**Ms. Wright:** Perhaps I could ask Alex to walk through for you briefly the licensing process.

As we do a review of licensing, there are a number of stages that we go through to work with the operator to bring them into compliance. It will somewhat depend on how serious the issues are. There have been cases where we have ended up in court with operators in terms of just a difference of opinion about the compliance issue. But I'll ask Alex to walk you through the steps.

I don't have with me the roll-up data on the number of compliance issues we've had, but I could see if I could get that for you.

**Mr. Zimmer:** Yes, thank you. I'd be interested in that.

**Mr. Alex Bezzina:** Just a few points regarding the renewal of licences. I won't speak at this particular point in time about the granting of a new licence, because I think your question has more to do with compliance.

**Mr. Zimmer:** Yes.

**Mr. Bezzina:** The licensing staff person will go into the facility or to the child care centre. Although the licensing process is done on a yearly basis, the licensing officer will arrive at the door unannounced. There's a general understanding that this is happening on a yearly basis, but they arrive at the door unannounced. They bring with them the licensing requirements, the checklists, as well as any serious occurrence reports that were filed by that child care centre during the period of that year. They sit down with the log of the child care centre and do a comparison between what the log says and what the serious occurrence report says. We also review any complaints that may have come in or any of the other concerns that may have been on file regarding that particular organization.

Depending on the outcome of that particular visit and any subsequent visits that may need to take place in order to compile all the information, the centre may get a regular licence, which is issued for up to a year, or they

may get what is called a regular short-term licence, which is typically given in the case of a new facility. So you won't give them a full year; you'll give them maybe six months just to make sure they continue to be on track. You may give them a regular licence with terms and conditions, which is to say that, "Although you are currently in compliance, you do have some issues that we've seen, so in addition to the regular requirements, we're going to ask you to do a few other things and we'll be checking on you in that regard and doing inspections in that regard." You can also get a provisional licence. If there are problems, you may be given a licence. If the problems are very serious, they have to be fixed before any licence, even a provisional licence, is given. But if they're addressed, you may be given a provisional licence that says, "You know what? You still need to do a few more improvements, and we're going to come back and visit you before we give you a regular licence."

If those things aren't met, then there is a process that is gone through whereby the licence is revoked and the centre would not be allowed to operate.

**Mr. Zimmer:** I'd appreciate some information on that. Presumably you track those complaints and disciplinary problems and outcomes and so forth. But can you give me your sense of how big an issue this is, getting in and disciplining and lifting licences and imposing conditions and so on? Does it happen rarely or frequently?

**Ms. Wright:** It doesn't happen all that often. I would hesitate to want to speculate, since I don't have the data; I'd prefer to see it. As Alex indicated, there is a kind of stepped process of working with the licensed operator to ensure that they are in compliance.

**Mr. Zimmer:** Is it rare for a daycare centre to get their knuckles rapped seriously?

**Ms. Wright:** I don't have the data, so I'd hesitate to say "rare."

**Mr. Zimmer:** Okay. Thank you, Mr. Chair.

**The Chair:** John?

**Mr. John Milloy (Kitchener Centre):** I can go the next round.

**The Chair:** You still have some time left on your 20 minutes. You have about seven minutes. Do you want to go now or do you want—are you going to be more than seven?

**Mr. Milloy:** I don't know.

**The Chair:** Okay. Start off, and we'll take it from there.

**Mr. Milloy:** I wanted to ask about the 14,000 spots, or the 25,000 spots, depending, I guess, on how we move forward. This is just for my own knowledge. I'm having trouble understanding how the money from the federal government is creating these spots. I'm sorry to ask such a—you'll have to indulge me. My understanding just from the announcements that were made locally is that there was a portion for capital, which I believe went for not-for-profit. Obviously, there's sort of an administrative piece which will go, in my case, to the municipality, but to whoever is running it. But beyond that,

it's sort of capital and subsidies for the child care spots? Are those basically the two key components that are being used to create these spots?

**Ms. Livingstone:** Yes, it is. In the 2005-06 allocations that we put out, there was an allocation for major capital, to undertake either building brand new centres or major renovations of existing centres. That creates the physical space. Then, in addition to that, there were allocations for what we call operating. The funds that we allocate to support new spaces are exactly as you've said, administrative dollars in terms of assessing eligibility for fee subsidies, but there are actually other resources, including dollars for fee subsidies for families that might require assistance, which will go towards paying some measure of the cost of having that child in the space, as well as wage-subsidy dollars, which contribute some resources to assist with the salaries and benefits of the staff who are operating those spaces.

There are also other resources that contribute to operating a space that were part of that allocation. In particular, there were resources around special-needs children. Those resources go towards special-needs resource teachers or special equipment meant to support a special-needs child who might be participating in that centre or being in that space, if you will.

So it's that combination of resources, both the operating side and the capital side, that is resulting in children in those spaces.

**Mr. Milloy:** Okay, now I'm really confused. The auditor indicated that the wage subsidies were—that there was a series of programs introduced in the early 1990s that were then capped and that there was no new wage subsidy money. But you're saying there is new wage subsidy money under the agreement. Or am I misunderstanding everyone?

**Ms. Livingstone:** Through the funding that we had available in 2005-06, we provided operating allocations, and through our guidelines around how they could be used we did indicate that that new funding could be used to support wage subsidy, to support the staff in the new spaces. So municipalities had the flexibility to allocate the resources to that. It's true that aside from the \$58.2 million that went out in 2004-05 to create 4,000 new subsidized spaces, there had not been, prior to that, significant investment in wages. That part is true, and that is the period of time that the auditor was looking at. But in our new allocations, there was the flexibility for wage subsidies.

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**Mr. Milloy:** How you create a new spot is what I'm trying to get at. How does the service provider determine which group gets the wage subsidy? Also, is there a difference in wage subsidy between profit and not-for-profit? Are profit not eligible for it?

**Ms. Livingstone:** Both are eligible for wage subsidy. There is a policy in place in the province that indicates that, aside from this new funding, if a centre closed and wage subsidy became available, it could be redistributed

amongst the existing centres, be they for-profit or not-for-profit.

In terms of how a space is actually created, in this case, under Best Start, we're starting from a very involved community process to identify where those spaces should be and who the operator should be. You may know that under Best Start we have a schools-first policy, so the school boards are actively involved in the identification of sites for our new child care spaces; they're a partner in that. The municipality works with the community to identify where, and then they'll work to identify who the operator will be.

Once the operator has been identified and the site has been identified, our licensing people then become involved in order to make sure that new centre or those new spaces are created to meet the expectations under the Day Nurseries Act. As they're creating the new spaces, the role of the municipality is to determine what level of operating funds they'll engage with that operator on, in terms of how much fee subsidy, wage subsidy they'll be able to apply to those new spaces.

Once the operating allocation is determined, they determine the size of the centre, how many spaces, what the staffing requirements are, what the program will look like. Then they're in a position to be licensed and open and receive children. That's the general process.

**Mr. Milloy:** The new wage subsidy money, then, is only tied to the new spaces, so to speak?

**Ms. Livingstone:** The allocations that went out in July were twofold: to support and try and address some issues around wage subsidy that existed in the system, but also to support new and expanded spaces, to address the new staff that would be coming on, to ensure there was wage subsidy for those new staff for the new spaces.

**Mr. Milloy:** What I'm trying to get my head around is, if I come forward and say, "Look, we're going to open up"—what I'm always told by my municipality is, "Don't talk about subsidized spaces; talk about subsidized families or subsidized children." If I'm going to offer 100 more, or 10 more, subsidies for children and I have a local, for-profit licensed daycare down the street and I'm now, all of a sudden, eligible—they've got nine kids, they take the 10th because there's a subsidy available. Is that a new space? How does that fit into the vision of the 14,000 and what's going on at the schools? The way it's always explained to me, it's a bit movable. One year the operator may have 10 kids, five of them subsidized; the next year, 10 kids, three of them subsidized; the next year, nine of them subsidized. How do you jive that with the 14,000? I'm allowed to say "jive."

**Ms. Livingstone:** It's a really good question, actually, because there is confusion around spaces and subsidies and subsidized spaces. Probably the clearest way I can explain it is to say that the 14,000 are actual physical spaces. They could be filled by a child whose family requires some assistance with the cost of that child care, and that family would have a fee subsidy or some portion of a fee subsidy. That space could also be filled by a full-

fee-paying parent or family. So there is movability in the system year over year as children come in and out.

The number of children in the system supported by fee subsidies is largely determined by the available resources for fee subsidies. In this instance, what's happening under Best Start is that we are expanding the system to make access overall more available, but we're also moving forward to have an income test for eligibility for fee subsidies which will make that more standardized and provide more affordable child care for more families. So those two things will bring more people into the system.

**Mr. Milloy:** If the capital is up front and it's not all necessarily subsidized spaces—maybe I shouldn't ask this question—why don't we see the financial need drop substantially? It's front-loaded. You've gone to a school, you've put in the money to create all the spaces. A portion are subsidized but a portion are full-fee-paying. A few years down the line, shouldn't it be up and running and life is good and there's only a small percentage of outside dollars that are needed? I'm just thinking of graphing it. Once these spaces are physically created and the capital has gone in—yes, some of it goes for subsidization but you're saying some of it doesn't. How does that need reflect over time? Or does that question make sense? I mean, if you need X number of hundreds of millions first year, part of that's going to capital, part of that's going to the start-up, and then in subsequent years you'd think that the demand for outside money would go down and level off to subsidies and that sort of thing.

**Ms. Livingstone:** The way we were looking at the allocations around Best Start is the funds that were used in year one to support the capital expansion would then flip in the next year to have the operating dollars to support those spaces. So we know that there is significant demand, not just for spaces, but for fee subsidies. People are looking for assistance with their costs of child care. So I don't know that the requirement for ongoing operating dollars to support those families necessarily lessens. Certainly I would say that the rapidity with which municipalities have moved to expand the system in an effort to meet the need in their community reflects that there is a significant demand out there for this kind of service.

**Mr. Milloy:** So I guess the final big question is, what do we tell our municipalities in light of what's happening? The deputy spoke briefly in her presentation, but I had an extremely excited municipality and now I have a very disappointed and unsure municipality. So I guess the question is, what are we supposed to tell them about the longer term?

**Ms. Livingstone:** The minister actually sent a letter to all municipalities earlier this week outlining the government's direction with respect to how we're going to proceed with Best Start in the current funding environment. I guess the priority is to try to secure and sustain the 14,000 spaces that have been undertaken to date by the municipalities. We know that they're looking for secure and predictable funding, which is why we have

taken that one-time payment from the federal government and allocated it over four years in order to bring some stability to the system. We are going to work very closely with our municipal partners on how we move forward. We've done this from the beginning with Best Start because they're such a key player. In fact, we're holding an information session in the next couple of weeks with our municipal partners to talk about exactly the kind of details your municipality is concerned about: What will their allocations be, where should they focus their energies?

A lot of effort went in at the community level to develop their 2005-06 plans and their 2006-07 and 2007-08 plans. We want to respect that work and use it to move forward and support what's been done to date, and that's really the major priority for the funds we have available.

**The Chair:** Thank you. Just a supplementary to Mr. Milloy: Of the 14,000 new spaces, how many will be subsidized?

**Ms. Livingstone:** The subsidies are separate from the spaces, so it's dependent on the number of families that will—the subsidy goes with the child.

**The Chair:** But you must have an estimate of what it will be.

**Ms. Livingstone:** The municipalities have put forward in their plans how many fee subsidies they believe they can bring on with the funding available. The difficulty in answering your question is, at the same time that we are doing this we are also moving from the needs test to an income test. The number of fee subsidies that we're able to support with the new income test is highly dependent on the model we wind up using.

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**The Chair:** What are you budgeting for? Are you budgeting for 7,000, are you budgeting for 2,000, 14,000 or what?

**Ms. Wright:** Part of the challenge in counting subsidies for children who are receiving subsidies is of course that it's not a set amount; not every child receives the same amount. What the municipalities need to do in managing the system is a needs test, as Lynne has indicated. A subsidy for the family is dependent on that. They have a certain amount of dollars that they allocate according to what the family needs are as well. It's really difficult. It's not that it's a standard amount that we give to every single family; it's a much more fluid process. So it is actually very challenging to try and count the number of subsidized—

**The Chair:** But you've got a number somewhere in your ministry as to what you're expecting. Are you expecting 7,000? Are you expecting half and half?

**Ms. Livingstone:** The challenge in answering your question is that we really are in the middle of developing—

**The Chair:** You have no numbers in your ministry, then?

**Ms. Livingstone:** What we allocated to the municipalities was operating funds. We asked them to tell us what level of fee subsidy they would support with that amount of funding, so that's in their plans to a certain degree.

The difficulty that they would relay to you, sir, and the difficulty that we're in is that they know we are moving to a new income test model. This will change the number of children who are able to receive fee subsidies, depending on what that model looks like. Once we know the model, I'd be in a much better place to answer your question.

**Ms. Wright:** I believe the Auditor General himself indicated that this question of fee subsidies is difficult to ascertain because of the variation between municipalities. That's why we believe that moving to an income test will actually help standardize it to better be able to determine the number of—determine consistently.

**The Chair:** You've got to have numbers, and you're not sharing them with us, in terms of what you expect.

**Ms. Livingstone:** I can tell you what is currently in the system. What is currently in the system is approximately 119,000 children receiving fee subsidies.

**The Chair:** So it's approximately half.

**Ms. Livingstone:** Approximately half of the licences.

**The Chair:** So you would expect that half of the 14,000 would be receiving subsidies under the present circumstances?

**Ms. Wright:** Before we move to the income test.

**The Chair:** If you want to give more money out—

**Ms. Wright:** Sorry. We're not trying to be argumentative; we're just trying to say that that piece of information will be shifting, both because of the way the needs test works and because of the income test.

**The Chair:** The other point of clarification I would like is, on the 220,000, how many are from zero to six? Federal money is for zero to six, is it?

**Ms. Livingstone:** Yes, it is.

**The Chair:** How many of the 220,000 are zero to six and how many are over six?

**Ms. Livingstone:** Approximately 104,000 of the spaces are for zero to six, I believe is the answer. I'd like to confirm that for you but I believe that is the answer.

**Ms. Wright:** We can get back to you with a breakdown of the age.

**The Chair:** Thank you. Andrea, and then Julia.

**Ms. Andrea Horwath (Hamilton East):** If I could just ask, following on some of the questions that you've already asked: Of the 14,000, how many are zero to six, or are they all three to six?

**Ms. Livingstone:** They're fully zero to six. There's a priority on children who are four- and five-year-olds but they're completely zero to six.

**Ms. Horwath:** But how many of the 14,000 would you expect to be the four to fives who are in the schools? That's what I'm really getting at. How many of the new spaces created will be in the school system add-ons as opposed to in the community spaces?

**Ms. Livingstone:** I don't have that information at hand but we can get it for you.

**Ms. Horwath:** I would appreciate that.

**Ms. Wright:** You will get your breakdown of the numbers and the age groups.

**Ms. Horwath:** Thanks. I appreciate that. There are two points about that. But first of all, following up on some of the other questions that were asked, when is the final decision going to be made on the income testing model?

**Ms. Wright:** We're looking at a number of options now, so we'll be going forward to government some time in the next couple of months with some options. We're fully aware that we need to move on this expeditiously. We've done some work with a couple of municipalities to do some significant data collection to run the models to see which ones are the most effective; we're finishing off that work. Then we'll be looking at what the recommended option is.

**Ms. Horwath:** The next question is around the number of spaces in schools. I guess, depending on what that looks like, it will determine whether the issue that I have to raise is one that's going to be a big problem or not. It was raised in my community particularly by some of the smaller groups that are smaller community-based centres. They were concerned, if the bulk of the four-year-old and five-year-old money was put into schools, whether that would have an effect on the ability for those centres to attract that age of children. If the system was built up to basically provide that service in schools, then what happens to the provision of those—does a gap occur in the other types of providers, and what effect will that have on their income stream really for the per diems that are at that higher level than, let's say, the older children and how will that affect their budgets? I'm sure you're aware of this because I know that they've actually sent some correspondence to you about that, but I thought it would be important for me to understand from your perspective whether you think that will be a problem or if you've at all dealt with it in your work.

**Ms. Livingstone:** It is an issue that we're familiar with. I think the concern that some communities are dealing with is exactly as you've indicated, that people who were dealing with perhaps four- and five-year-olds before but didn't offer the service in a school are now going to be faced with different challenges. Some of this is getting sorted out through the local community planning process in terms of what operators will provide the services in schools. Some of them will move their centres into the schools and some will focus more on the younger age group. As you say, once we're able to talk fully about the 14,000—I think there is some balance in the system. When we first started with Best Start, we talked about just four- and five-year-olds. Part of the reason that we shifted to address the larger age group and have a moderate growth for the younger children was to address the concerns of operators but also to make sure there were services available for that younger group. Local communities are working through some of those decisions as they determine which operators will provide which service.

**Ms. Horwath:** I'm glad you raised that because that was my next question. The issue that's arisen in some local communities is the fact that the boards have internal

providers or preferred providers. Usually they're actually daycare companies or not-for-profit corporations that have been established by the school board. That's the situation in my community. Both the separate and the public school boards have their own internal provider that's developed historically over the last 20 years as they've seen a need. The problem becomes, to what extent do you have an open bidding system for new spaces if in fact the schools where the bulk of the dollars are going already have their internal preferred providers? My understanding is that my local community kicked this up to the ministry and the ministry's saying, "That's your problem, not ours." My CMSM is saying, "Now we're in a political quagmire because we have to deal with the providers and the school boards and we don't want to get caught in the middle of this. We really are seeking some ministry guidance or some ministry guidelines that clarify the extent to which an open bidding process is required."

Can you clarify some of those issues for me and let me know? I haven't been in touch with them in a little while. Everybody's been focused on worrying about the federal programs, so I don't even know where this stands. Can you let me know what's happened in regard to that issue?

**Ms. Livingstone:** I'm well aware of this issue. In fact, I was participating in discussions in Hamilton about this in the fall. The discussion we had at that time was—and I should be clear, the decision on who the local operators will be on the delivery of child care is a local decision. The ministry establishes guidelines around what service has to be provided and expectations around that service provision. But the decision about who that will be and who the municipality enters into a purchase-of-service contract with for that service is really at their level. We did talk in those meetings, though, about the need for the community to be comfortable with the process that was being used and that it did need to be open and transparent.

My understanding from those discussions—and I think perhaps we might be hearing different information—is that the municipality was comfortable with the service provider approach that the two boards were using. My understanding is that it's an issue that the community has come to some resolution on.

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I think the other aspect of it is that there were other spaces coming on that were outside of the school system in Hamilton, and that did give room for some of the smaller operators to be able to have some growth and participate in the expansion. That's my understanding of the current situation.

**Ms. Horwath:** My last comment in this regard, then, is this: If we know that this has been a problem in one of the demonstration projects, I think the ministry might want to think about how to avoid a similar difficulty. Let's pretend that what's happening federally isn't happening, and we were going to ramp up, the way we're trying to do in the demonstration sites. If the ministry is saying that our target is three-, four-, and five-year

olds—whatever; the school-based system—and we've learned from this demonstration project that this becomes an issue, it creates a lot of problems at the local level; it has potential to, anyway. If the whole point of a demonstration project is to learn these things, I need to feel comfortable that you've learned something about this and that the next time you're ramping up a program where you're identifying the location where these programs or spaces are going to go, you're building in guidelines that deal with these problems in advance.

I understand what you're saying. I totally respect the idea that the initiative takes place at the local level and it's a local decision-making process and all of that. I have no problem with that. But if we know in advance that by requiring certain places to be the locations and that these places specifically have preferred providers, then we're building in guidelines that help the municipalities and CMSMs deal with the political problem. If a guideline can be put in place that addresses that—for example, where your school boards are in a position to have internal providers, they must be opened up to local bids. Something of that nature, I think, is appropriate, because certainly the CMSM wasn't in a position to force the school boards either way. But if it's a condition of the program, then it makes things a lot easier. I would just provide that little bit of advice.

**Ms. Wright:** Thank you.

**Ms. Horwath:** I still have a few more, if you don't mind, Mr. Chairman.

**The Chair:** There's lots of time.

**Ms. Horwath:** I wanted to raise the issue around the licensing, because I think Mr. Zimmer started on that issue. I just want to confirm that the response was that the checklist has been updated, right? That was in the initial—

**Ms. Wright:** Is being updated, yes.

**Ms. Horwath:** Is being or has been? Is being?

**Ms. Wright:** Is being.

**Ms. Horwath:** And so the manual that supports that is being as well. Is there a timeline for that to be completed?

**Ms. Wright:** The fall.

**Ms. Horwath:** Okay. The other issue was the extent to which the people who are doing the inspections are up to snuff on current practices. I know that you indicated that that was the case; you were comfortable with their training, but in the report—

**Ms. Wright:** Actually, if I can just interrupt—sorry—we are intending to do additional training as well, and we have established an internal committee to make sure that happens. We believe that they are good staff, but we do recognize the need to have ongoing training as well. I think the auditor has raised this point and we're responding to it.

**Ms. Horwath:** Okay. Great, because it is clear here—

**Ms. Wright:** Sorry; I didn't mean to interrupt you.

**Ms. Horwath:** No, that's fine. It is clear here that they themselves are saying that they need corporate training on current issues and best practices in child care, so

you're committed to doing that as well. And the timelines for that?

**Ms. Wright:** We will do it in conjunction with putting out those manuals and the updated checklist. The committee is in place now and is beginning to turn its mind—if a committee can turn its mind—to what the work plan would be, but the actual training will be parallel with the release of the checklist and manual.

**Ms. Horwath:** If I can just extrapolate a little bit, the target is to try to have all of these pieces in place so that, as the 14,000 new spaces are implemented, these pieces are pulled together and the system is operating—

**Ms. Wright:** Obviously, having an effective inspection and compliance system is extremely important, and we need to have a strategy of ongoing training and improvement. I think this was flagged by the Auditor General. We're very conscious of putting that in place.

**Ms. Horwath:** I don't know how much time I have.

**The Chair:** You've got a little bit of time. You've got another 10 minutes or so, if you want it now. Or do you want it later? Julia's anxious to get going.

**Ms. Horwath:** I'll let Julia go ahead.

**The Chair:** Okay, so I'll go back to you right after Julia, for a 10-minute hit.

**Mrs. Julia Munro (York North):** Thank you very much. First, let me apologize for the conflict I had in terms of not being able to be here when you actually spoke. I'm hoping that my questions don't overlap issues that others have raised.

I wondered if you could just give us a starting point. When you mentioned on the first page of your presentation that there are about 220,000 children currently served by the licensed options that are listed there, do we have any idea how many children there are aged zero to six in the province?

**Ms. Wright:** I think this is the question Mr. Sterling was asking.

**The Chair:** I said within the program there were 105,000, and then if we extrapolate, it's probably about a million.

**Ms. Wright:** Lynne is just doing some math for me here. The number of children zero to six is approximately 850,000.

**Mrs. Munro:** Okay. I'm just wondering, given that you mentioned the issue around demographics in terms of future planning and things like that, do we have any sense—and I give you the choice of choosing a date: 10 years, 15 years. What sort of demographic futures are being used as your planning tools for children zero to six in the next 10, 15 or 20 years, whatever you choose?

**Ms. Wright:** Perhaps Lynne can add to this, but obviously we are aware of the basic demographic projections that you would do on growth patterns, on the increase in the number of children. I think the challenge on this one is not the overall provincial growth pattern but actually where families are moving and which municipalities have particularly high growth areas. We do know that a number of the GTA areas are growing rapidly, not only in terms of children but in terms of the

number of families needing services there. It's a double challenge to do any kind of projections on demographics, which everybody knows from that, but also then to look at what the growth patterns are in different communities.

The different municipalities also will have had a different capacity to be able to do some of their own projections, both in terms of the geographic dispersion of families and children as well as just the overall demographics of children.

I don't know if Lynne wants to add anything.

**Ms. Livingstone:** I guess some of the other kinds of demographic aspects that we consider, particularly when we're looking at planning for child care, are the factors that impact on the need for child care services. So in addition to the population projections for children zero to six, we're also looking at factors like low income, low levels of education, and English or French not being the first language as other factors that help to predict a need for child care. As the deputy has indicated, we do look at the growth. But in addition to that, we're looking at geographic factors that impact on need, because that can play on the type of child care or the expense of child care that needs to be delivered, particularly in northern or rural areas. Those are some of the other factors that we consider.

**Mrs. Munro:** In the information that we have, when you suggest there are 850,000 children in zero to six, then of the 220,000 who are in licensed facilities, approximately half are the zero to six; is that correct?

**Ms. Livingstone:** According to the information I have in terms of the number of children enrolled in our child care system who would be in the zero to six age group, it's about 130,000 to 134,000 children. I'd just like to be clear that those are children who are participating both in child care centres and in home child care settings.

**Mrs. Munro:** Yes. I understand and appreciate the difference.

I wanted to go to a couple of other areas, picking up on some of the information you've already provided to others. On the question of the inspections and the compliance issue, is there any element of this that is public information?

**1050**

**Ms. Livingstone:** The basic requirements that a child care centre or a private home daycare would need to meet for licensing are in the Day Nurseries Act, and that is public information, if you will. We also share with the municipalities and our operators the day nurseries manuals and the private home daycare manuals, which is additional information about expectations around the licensing requirements. Those are readily made available to folks who would be interested in that. But the predominant document to start with would be the Day Nurseries Act.

**Mrs. Munro:** I appreciate that, because I did have a question from a constituent earlier in the year with regard to any kind of sharing of information. I assume that her request came on the basis of decision-making, so that was why I thought, "What answer is there to give her?" It

would seem to me, when you mention things like the manual, that obviously that would be something that somebody could have a look at.

**Ms. Livingstone:** Absolutely, yes. The other avenue is that they could always call any regional office and ask to speak to a licensing adviser, who would happily walk them through the process to access a licence and the steps that are involved.

**Mrs. Munro:** I think it's important, obviously, for parents to have that kind of surety.

Another issue that has already been raised but that I'd like to come back to is the question of waiting lists. It seems to me that this is a tricky one in terms of, how do they get created when you've got the community manager process? Would they have a list? Are they the keepers of the list? Who actually would be the keepers of a waiting list?

**Ms. Wright:** This actually gets back to Mr. Milloy's point. There are two types of waits: One is for a space and one is for a subsidy, just to add to the complexity. That's one thing about child care funding: It can't get more complex, I'm sure.

In terms of the wait-lists, it is the municipality's responsibility to manage those lists in order to be able to reflect their local needs and their local priorities in terms of wait times for subsidies. There are, as the auditor pointed out, certain variations. Toronto, for example, I believe has a first-come, first-served process of determining wait times, whereas other municipalities such as York will use an additional set of criteria to determine where a family, a parent, is on a wait-list.

We believe this issue will be—"addressed" is too strong a word. But it is important that we actually move forward to move from a needs test to an income test before we look in more depth at the question of a consistent wait-list, because it's impossible, given the variation—I see Mr. McCarter's disagreeing with me. I'll make my argument to him. There is enough variation in needs testing now across municipalities that if we can standardize the income test, that will be a really significant first step to looking at how we can look at wait times differently.

So we will be moving forward, as we know, on the income test, and that will be a significant step, but at this point wait times are basically a municipal management strategy.

**Mrs. Munro:** Would it be possible, then, for an individual—and I'm not necessarily talking about a subsidized space—to be on more than one list?

**Ms. Wright:** Yes. This is actually a similar conversation to the one we had on mental health the last time I was here. We don't have at this point a unique identifier, so that has some of the same challenges.

**Mrs. Munro:** Would that be an appropriate responsibility, then, for the local management at the regional level?

**Ms. Wright:** Right.

**Mrs. Munro:** I guess for anyone looking at this issue, the question of wait time is obviously critical, so it's

really important that we understand that without this kind of centralization, there is some confusion in the system if there's an opportunity, then, for two or three groups to be all putting the same person in as part of their wait-list.

**Ms. Wright:** Right, and without the standardization of something that you would have with a province-wide income test, it becomes even more difficult to have a standard wait-list. I think this is a really important issue because not only is it an indication of the need, as we talked about earlier, but it's obviously extremely important for parents. Municipalities are required to communicate to parents the criteria and standards for wait-lists so that it's as transparent as we can make it.

**Mrs. Munro:** I'm sorry to again come back to other questions, but when do you anticipate that this standardized income testing will be done?

**Ms. Wright:** We're looking at going forward in the next couple of months to the government for a decision.

**Mrs. Munro:** A question that again goes into this whole issue of spaces: Do Early Years centres provide any role in regard to making information available to people on spaces?

**Ms. Wright:** I'll ask Lynne to respond to that.

**Ms. Livingstone:** One of the roles of the Ontario Early Years centres is to provide a variety of information on children's services in their community, particularly for zero to six. That includes where they might access information about child care spaces that are available and how they might get a child care subsidy. I know a number of them work with their municipalities to create some sort of registry, if you will, on child care centres. So they do play a role, and they play an important one because they're often a place that, if parents don't go anywhere else, they go to the OEYC to participate in the programs there and they can learn about the other services that are in their community.

**Mrs. Munro:** Would it be your suggestion that there be that kind of automatic updating so they would then be current in terms of the range of opportunities within their own community?

**Ms. Livingstone:** I think that each OEYC works with their community to do that and provide the information that makes sense for that community and is most relevant. Not all of them provide the kind of registry function that I talked about, but many of them provide basic information on where they can find child care.

**Mrs. Munro:** A question was raised earlier around the issue of the federal funding and the fact that there's a wage subsidy element to it, as well as a capital element. On the issue of the capital side, who is eligible to receive money for capital?

**Ms. Livingstone:** Only not-for-profit operators would be eligible to receive the major capital. That's the ministry's policy position for the 2005-06 allocations.

**Mrs. Munro:** Does that mean that it would only be available to existing organizations?

**Ms. Livingstone:** No, it could be available to a new non-profit operator to build. The capital could be

available to a new non-profit operator as well as an existing non-profit operator.

**Mrs. Munro:** In the last few years, have you seen expansion—and I don't mean expansion of existing—in terms of numbers of providers? You can choose how far back you want to go. I just want a sense of if there is much change in terms of the numbers of providers or not, in whatever length of time you want to use.

**Ms. Wright:** I don't have that information with me. I don't know that we actually track the number of providers. As you know, we fund the municipalities, who in turn work with the providers, so I would have to find out if we even have the actual specific number. I can get back to you on that. Because our relationship is primarily with municipalities, who in turn fund the providers, they would be the main source of that information.

**Mrs. Munro:** I think it might be useful for us to—

**Ms. Wright:** To see how many providers have expanded—

**Mrs. Munro:** Sort of the stability within the sector, whether there are new players entering into the sector or you're looking primarily at the expansion of existing.

1100

**Ms. Livingstone:** I think it would be fair to say that over the last number of years, up until very recently, there's been very little growth in the system, so the number of new providers would be quite limited. However, with the expansion, we know that some of our well-established providers are looking to expand existing centres or create new centres, and there may be a need to bring on new providers. There are a number of supports for new providers who are coming into it. I would expect we would see some new providers come on with the 14,000 new spaces.

**Mrs. Munro:** And that, of course, leads into the other part of that, which is the wage subsidy issue and whether or not you see that as an opportunity that is consistent with the capital in terms of new providers.

**Ms. Livingstone:** Absolutely it is. When we were doing our allocations and planning, we built in wage subsidy against the expansion, accounting for new staff that would need to be brought on to support the new spaces.

**Mrs. Munro:** Going back to subsidized spaces, I think you were asked what the figure is today. I wrote down 119,000. Is that correct?

**Ms. Wright:** Subsidized families.

**Mrs. Munro:** So that could then mean more spaces.

**Ms. Livingstone:** That's the current number of families receiving a subsidy in the system, so we have 119,000. There are approximately 214,000 licensed spaces in the system. That's prior to the expansion that we're talking about, prior to the new 14,000.

**Mrs. Munro:** Obviously now we're talking about children from zero to 12.

**Ms. Livingstone:** Yes, zero to 12. I just want to clarify one point. When we talk about 220,000 licensed capacity, it's because we're adding in the enrolment in our private home daycares. We actually don't count spaces in the private home daycares; we count enrolment.

So they're included in our total 220,000 licensed capacity. So it's about 214,000 in actual spaces plus the additional in the enrolment in the private home daycares.

**Mrs. Munro:** Thank you, because I immediately remembered the 220,000 and I thought, "Wait a minute. What happened?"

**Ms. Wright:** We could see Mr. Sterling doing the same thing.

**The Chair:** And you told me 105,000 for zero to six.

**Ms. Livingstone:** I'd like to clarify that. I just did the math and it's about 126,000.

**The Chair:** So 126,000 are zero to six.

**Ms. Livingstone:** Licensed spaces, zero to six.

**Mrs. Munro:** Oh, 126,000?

**Ms. Livingstone:** For zero to six.

**The Chair:** And how many of those are subsidized?

**Ms. Livingstone:** Sorry, I don't have the subsidies by age group. Bear with me.

**The Chair:** Can you provide that, or is it possible?

**Ms. Wright:** Why don't we commit to giving you a chart that breaks down the spaces by age and by subsidy as best we can?

**The Chair:** Okay.

**Ms. Wright:** This does speak to some of the Auditor General's recommendations we have on our own data management capacity. But we will do that. We don't want to waste the committee's time trying to figure out mathematics here, so I will commit to get that to you. My apologies.

**The Chair:** Sure, that's fine.

**Mrs. Munro:** I think that would clarify all the numbers that are flying around.

In your presentation, you made reference to the fact that the provincial-municipal partnership is unique in Canada, and I wondered if you would comment on the rationale. The first one that comes to my mind is population, so I just wondered if there were other factors that led to this kind of a creation when you make reference to it being unique.

**Ms. Wright:** I'll speak a little bit, then Lynne can add. I think part of it is the population and part of it is just the number of municipalities that exist in Ontario and in other places. Quebec, which has a very robust early learning and child care system, has taken a very different model, as they do on most things, to the one that we have.

I think it is based partially on population and I think it's also based on the principle that child care is a community responsibility, if I can put it that way, as much as a social responsibility and that the community is best positioned to be able to know what that system should best look like within the framework that we set at the provincial level.

**Ms. Livingstone:** Additionally, in Ontario, municipalities have had a long-standing history of being involved in the delivery of child care locally, and I think the move to standardize or enhance that role as consolidated municipal service managers really builds on that long-standing history. It does create, I think, quite a

strong partnership between the province and the municipalities in delivering good services locally.

**Mrs. Munro:** The Auditor General pointed out, of course, that some of the compliance issues reflect the lack of expertise that might exist within those areas. So I guess, while there is that historic and demographic reason for it, there is clearly an indication here that there's also a need to augment from a compliance point of view the expertise that resides there. I just wondered if you'd comment on the auditor's comment on that particular issue.

**Ms. Wright:** One of the developments that has happened over the last couple of years that's really significant has been a much closer working relationship on our part with the CMSMs, but in particular we have put together community-based networks at whose municipal table we and other community partners sit in order to be able to do comprehensive planning. I would say I can only praise the municipalities for the extent to which they have stepped up over the last year and really committed to establishing and opening new spaces. I think they've done a terrific job.

**The Chair:** I'm going to turn it back to Andrea, because she still had some time left on her turnaround. But before I do that, is it the intention of the ministry to say to the agencies, "You must have a selection this way or that way"? In other words, I'm a little concerned in that—for instance, first come, first served is the way that Toronto does it—perhaps the most needy, who only found out about the service or just arrived here in Canada or whatever it is, can't jump the queue. So I think the auditor was expressing in his report a concern that perhaps the most in need were not necessarily getting the subsidized spaces or the spaces.

**Ms. Wright:** It's an excellent question. As we go forward on the income test, it is our intention to provide policy guidelines that will clarify the situation. It is our intention, in moving to an income test, to be able to address as many of the equity concerns as possible that the Auditor General has raised.

**The Chair:** But also, I would really hope that the ministry would be forceful in saying to municipalities, because the province is paying the bulk of the freight here, "You must give the person most in need first crack at it."

Andrea, you've got about 12 minutes and then we're going back over to the Liberals.

**Ms. Horwath:** You had indicated earlier in a response to another questioner that the minister had sent out letters to all the municipalities indicating what's expected to go on from here. I wouldn't mind a copy of that, actually, if I could. But my question was more around the demonstration projects and where they sit now and whether they go forward and how they are changing. Can you give me a little bit of information about that?

**Ms. Wright:** I'll ask Lynne to speak to that since she's been working very closely with them.

**Ms. Livingstone:** As I'm sure you're well aware, we really look to the demonstration communities to show how the vision of Best Start can look and feel in each

community. We're working with three very different communities to try to understand what it would look like in a northern community, in a rural community, in an urban community that faces significant challenges.

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The value of the demonstration communities is not only for us to understand that but also to share best practices across the province as we continue to move forward with Best Start. A number of their plans indicate that the vision can work, but it does look different. So they're continuing to be an important part of the Best Start plan for the province. They're in the 14,000 spaces that we're looking to secure and sustain. Across the three of them, they're looking to bring on about 22 early learning and care hubs in the coming year, by September. So we're continuing to work with those three communities. They're looking to demonstrate, not just the expansion component, but how services can work together to better meet the needs of families and have more positive outcomes for children. We're also looking to continue to evaluate them in order to understand how we implement this kind of thing across the province: What's the process, what's the impact? So that will also continue.

**Ms. Horwath:** So then, in terms of the supports that go into the provision of spaces that we talked about earlier—you know, the subsidies and all of that—and in the demonstration project areas the extra funding that's required to continue on with the fulsome implementation of the models, what would that proportion be? How much of the budget, if you will, for those demonstration projects is on administration and learning and all of that piece, as opposed to implementation of actual spaces?

**Ms. Livingstone:** There's a portion of their allocation that was directed towards supporting integration and coordination, and our intention is to continue to provide that because it's a key aspect, or what they're telling us is a key aspect, of being able to deliver the hubs effectively. So we're looking to try to sustain that as we move forward this year.

**Ms. Horwath:** I wanted to ask a couple of questions about the information that's provided on page 7 of your remarks earlier today around data management. A number of questions have come up around wait-lists; the number of people looking for subsidies; providers; numbers of providers; types of providers. About midway down the page you talk about the Ontario child care management system linking the CMSMs to the ministry to get a better handle on the system and the data that it provides. Will all of those issues that have been raised by committee members today be captured in that new system? What do you see being provided in terms of information through the implementation of that process?

**Ms. Wright:** I just want to reinforce that these recommendations from the auditor are really important, and we're working as hard as we can on making sure we have appropriate data in this system and in other systems. I'll ask Alex to speak directly to that particular infor-

mation system since it falls in his area. Thank you for the question.

**Mr. Bezzina:** We're speaking specifically here about the Ontario child care management system, and I will refer to it by its acronym, OCCMS, as I continue on. It is a provincial-municipal initiative, and in the initial phases of OCCMS it was primarily used by the municipalities to capture information like wage subsidies as well as specialneeds resourcing and a number of other data elements that our own data systems are not currently capturing. These are very, very specific data elements.

It is the municipality of York that manages this for us, and currently it's on a client basis. So it's desktop, they're using it municipality by municipality, and York provides some administrative supports etc. We are enhancing that now and we're going to a web-based approach to this so that the information can be shared across municipalities and the ministry can also have access to that more detailed information. So that's a project that's currently under way. I believe we expect to see that work finishing up by June and then that'll allow us within this next fiscal year to begin to determine how those data elements and our own data elements can work together to provide us with better information about what's going on at the local level.

**Ms. Horwath:** Okay, but do you anticipate, then, specifically, that you'll have more information as a result about wait-lists, providers, subsidy wait-lists and those kinds of pieces?

**Mr. Bezzina:** Yes.

**Ms. Horwath:** My last question is more around the issue of where we go from here. You indicated in your closing comments, more or less, that the 14,000 spaces that we are anticipating to ramp up this coming September, and then the support of those into the future, is pretty much where we sit right now. Over and above the 14,000 spaces that are targeted to be brought online, do we expect any more to be brought online the next fiscal year, the year after that or the year after that at this point in time? Or are we simply looking at the 14,000, as well as some of those expert panel recommendations and other pieces being fulfilled? But in terms of actual spaces, is that what we're pretty much targeting, simply the 14,000?

**Ms. Wright:** As I've indicated in my remarks, that is our priority, to secure and sustain those spaces. You can tell from the conversation here that child care funding is fairly complex. We do need to have a conversation, and Lynne has indicated that we are going to have it very soon, with the CMSMs, on the best way to do that. But that is absolutely the priority.

**Ms. Horwath:** In your experience over this last implementation of the 14,000 spaces through Best Start, isolating off the other pieces to Best Start that are around the expert panels and the college, which I'm going to ask you about too—

**Ms. Wright:** The quality part.

**Ms. Horwath:** And the quality and all of those, which are extremely important. What have you found to be a

ballpark of what the cost is to construct and support, per unit of child care space?

**Ms. Livingstone:** It's a really good question. I think one of the things that's been remarkable about the 14,000 is that it's over half of what we had expected to achieve over the original three-year target, which, from our perspective, really exceeded our initial expectations. Very directly to your question, I think what it reflects is a variety of approaches to building new child care spaces. Some of them are really minor renovations: a centre that already existed, where just by fixing a room, you could bring on X number more spaces. That cost would be very much less than needing to create a whole entire centre.

I can tell you that in our review of both the 2005-06 plans and the 2006-07 plans, the cost to build a new child care space varies significantly across the province. We had allocated capital funding based on our average cost of what we thought it might be, but we're really seeing that they've been able to exceed that, and I think it's because they've done it with minor operating dollars and by just making those minor revisions. So it's quite a variable cost across the province.

**Ms. Horwath:** So give me a range. Would it be \$5,000 for new construction and \$1,000 for existing? I understand completely what you're saying, that there's no fast and clear number, but is there a range that you could peg for the implementation of a new child care space?

**Ms. Livingstone:** I'd have to go back and get that information for you to accurately give you a range of what we're seeing across the province. I can tell you that our estimate was about \$15,000 a space.

**Ms. Horwath:** So that would be an average, assuming all in and then dividing by the number—

**Ms. Livingstone:** That was our average and that was, I want to be really clear, major capital and new space, not minor renovation.

**Ms. Horwath:** Okay, so that's for the capital. In the minor renovation, you would expect it to be smaller, but then we acknowledge that the system is nowhere near meeting needs, so there would be a significant capital investment if we actually wanted to meet the need that's out there. So it's more realistic to actually look at the number of \$15,000 than the small renovation, really, if we wanted to expand the system to the point where it was completely meeting needs in terms of providing care for children.

**Ms. Livingstone:** Just to give you an example, the city of Toronto's plan had a range for their major capital from \$10,000 to \$20,000 per space, depending on the kind of space and where it was located.

**Ms. Horwath:** That's the capital. What's the ongoing annualized cost of supporting a space that exists, per unit?

**Ms. Livingstone:** It really depends on the kind of space. If it's an infant space, it's going to be quite significant, in the area of \$12,000. If it's a JK-SK space, you're looking at \$7,000 to \$8,000 a year to support that kind of space.

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**Ms. Horwath:** There's a chart we received—I'm not sure which document it is now—that breaks down the per diem for the different ages. It's actually in the auditor's report, I think.

*Interjection.*

**Ms. Horwath:** It's page 95 of the auditor's report. If you're looking at that, you're saying that for an infant, it's \$12,000; a toddler, \$7,000 to \$8,000. Preschool—what would that be?

**Ms. Livingstone:** Infants are \$11,000 to \$12,000, toddlers are more in the range of \$10,000, and then our understanding of four- and five-year-olds or the pre-school piece is kind of \$7,000 to \$8,000. That's what child care centres will indicate on their websites as the cost of a year in that kind of care.

**Ms. Horwath:** Okay, and then school age is—

**Ms. Livingstone:** It would be even less.

**Ms. Horwath:** Yes, because it's the after-school—

**Ms. Livingstone:** Because the staff that are required to support those age groups are—

**Ms. Horwath:** The ratios.

**Ms. Livingstone:** The ratios become lower.

**Ms. Horwath:** Absolutely. Okay.

**The Chair:** I'm going to go now to Mr. Patten. I think we probably can wrap this up by noontime. So there are approximately 10 minutes for each party left.

**Mr. Richard Patten (Ottawa Centre):** I have about 14 disjointed questions to ask you. I was just passed a note from one of my colleagues in one of the other parties, saying that they heard our government is giving 13,000 spaces to the GTA, 1,000 to the rest of the province and 20 to Ottawa. Is that true?

*Interjection.*

**Mr. Patten:** First of all, I want to make a comment on waiting lists. I know in terms of mental health, in terms of child care, in terms of housing and in terms of health, everyone is looking at waiting lists. I wish I had a contract that I could offer, a software piece that was flexible enough to handle this, number one. The same problem happens in health care. You have individual doctors who have a list of people waiting to get their knee operations. That's their livelihood, because they get paid on a procedural basis, so they're not too anxious to give that up. Then on a regional basis, you don't know how many you have; you have to call around to each doctor. There's a program afoot to rectify that.

Is there a coordinating mechanism of whoever is a little further down the road in terms of developing their approach, their computer program, for managing a particular waiting list that may be transferable to someone else with some minor possible modifications? In other words, are we working interministerially on this issue? I've only identified four. There are probably other areas, and the auditor's office may have some comment on that when you look at the whole system of government. We go at these things piece by piece by piece, and I tell you that as a member of this committee, it's very frustrating—not for everybody, perhaps, but I find it

frustrating to hear the same thing repeated all the time. Do you have any comments on that?

**Ms. Wright:** I think that the question of wait-lists, particularly in child care, with the possible exception of Quebec, has been bedevilling a fair number of jurisdictions. In order for us to deal with wait-lists anywhere, it is the same issue—and this is the issue that Mrs. Munro raised—about how do you ensure that you don't have multiple children on multiple lists, and if they are on multiple lists, maybe it's appropriate. So how do you determine whether it's an appropriate process or not?

As I said, in child care, the municipalities are responsible for managing these wait-lists and wait times, and I think that, to varying degrees, they would submit to you that they do a pretty good job. That doesn't answer the auditor's recommendation that he would like us to have a more centralized process for determining what an appropriate wait-list is and for wait-list management. I'll just reiterate that I think we need to standardize a few things, such as the needs test moving to an income test, before we can actually look at that with any vigour. Finally, on the conversation I think we had before, which was the need to have some way of having a unique identifier, this is probably a systems issue for us, not unique to child care at all.

**Mr. Patten:** Okay. So what does that mean? Are there other ministries working on waiting list protocols or programs, and do you have access to their learnings or their findings? Is there anybody coordinating these efforts? It seems to me the goal is the same for about five ministries, at least.

**Ms. Wright:** There are two things. I think we spoke about this before. We have been speaking to health and we are picking from the learnings of health, but the health care system is, as you yourself mentioned, a fairly different one from the social services system. Within the ministry, we're aware that we have to address the common problem of wait-list management for all services for children, and we've been doing some initial policy work on that.

I think there are a number of lessons that we can learn from other areas that have been looked at, and we are having those conversations. We also talked to municipalities about this, which are the ones that have a certain expertise on it.

**Mr. Patten:** Okay. I don't know if you had a comment on that.

**Mr. Jim McCarter:** Our comment was on the wait-lists. I mentioned it was a different deputy in the seat, but we were very happy with the responses to the recommendations. It was one area where maybe we disagreed a little bit in the sense that you're doing some good work getting some demographic information and taking that into consideration, which is an improvement from the past, but we indicated we also felt the wait-list information was a variable that should be considered. We found that some of the CMSMs would have the wait-list information; some of them actually did not have the wait-list information, but most of the agencies—the providers—

had quite good information. So we merely threw it out as saying we felt it was information that you should have, and I'm glad to hear that you're linking up with the information systems because they have some very good information at the local level. If you're getting that information, that's going to be great.

**Ms. Wright:** Thank you.

**Mr. Patten:** I may direct a question later on to the auditor's office on this issue.

My impression is that, when you talk about moving to an income-based assessment, the prevailing hope is that this will, in and of itself, reduce the waiting lists. Is that—

**Ms. Wright:** I didn't say "reduce" the waiting lists. I said it would lead to greater standardization so we could address some of the equity issues that the auditor had raised. The answer to reducing waiting lists is obviously to expand the system.

**Mr. Patten:** Yes, and presumably this work is ongoing now, and presumably in the patterns of others like OSAP and that sort of thing, an appreciation of increasing the income levels in terms of eligibility for families would be part of the final outcome here.

Two quick questions. In my community I have a school that's had about a 90% group of students—an elementary school that has had a child care centre for a good 10 years. The relationship has been excellent. It has been very supportive of parents in the other part of the JK day where they're in child care and move back and forth. It's worked very well. The school is very highly regarded. The principle of people being able to select and require or demand that they would like to move from one school to another has put pressure on the school so it now has a higher number of regular students and is essentially pushing out the child care. It seems to me we've got a little conflict here. I don't know if you've heard about this.

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My understanding is, the board is the final arbiter in this. But as a government, we have said that we want to encourage, certainly, that every brand new school has to have child care space and anyone who has space now should utilize that space for child care. And here we have a circumstance where, "Okay, what is the supreme value?" I have a personal opinion on that, but does your ministry have a preferred position policy-wise related to pushing out the child care operation in light of filling up the rest of the school with other students, or do you say, "No, I'm sorry, that constitutes a full school, because we now consider the child care component to be a very important part of an elementary school"?

**Ms. Wright:** I'll ask Lynne to speak in more detail about the relationship of Best Start and our relationship with the schools and the school boards, but we are perfectly aware that both of these are priorities of the government and are committed to ensure that they work together. We have an ongoing relationship and conversation with Education, which in turn has it with the

school boards, to make sure that these sorts of situations get resolved.

I'm sorry, sir, I'm not familiar with the specifics of the one you're raising, but we are attempting to deal with them on a case-by-case basis. But I think it's useful for Lynne to provide you with an overview of how it's working, if that's okay with you.

**Ms. Livingstone:** We, too, are concerned about that kind of situation and, as the deputy has indicated, we're in ongoing discussions with the Ministry of Education about how to resolve those types of situations where there is concern about trying to address increased enrolment but also maintain the child care centre in the school.

One of the steps that we're taking in particular in this round with the expansion of the child care system in the schools is to have a specific security of tenure clause in the lease agreements with the school boards so that there is more stability to having child care centres in schools than perhaps we've had in the past. But it is, as the deputy has indicated, in some instances coming down to a case-by-case discussion to try and find some resolution to maintaining both that service and meeting other priorities of the school board.

**Mr. Patten:** I have other questions, but I'll share my time with my colleague Mr. Milloy.

**The Acting Chair (Mrs. Julia Munro):** Mr. Milloy?

**Mr. Milloy:** Sorry, I'm going to go back to some of my earlier—I want to ask about wage subsidies and I want to try to understand how they work and then understand—I mean, obviously following up on the AG's report.

Licensed child care spots, both for-profit and not-for-profit: The charges within a particular community might be different; is that correct? I take it that if my local school has a child care spot available, their rate might be different than the local school across town.

**Ms. Livingstone:** Yes, that's correct. Depending on what we're talking about, whether it's a subsidy or a full fee, the local operators will set their per diems. The municipalities sometimes set some policies around what that per diem might look like, which the operators will pay attention to because they're engaged in a purchase of service contract for the delivery of it, but it can look different within a community and it certainly looks different across communities.

**Mr. Milloy:** And that's the same for the not-for-profit sector. In other words, school A could have a different—okay.

So I guess my question is in terms of the wage subsidies. I'm just looking at it from economics 101. The wage subsidies would then presumably allow them to charge lower rates or, if they're charging the same rate—and I realize we're talking profit, non-profit and all that, but if we put that aside for a second and just think of it as a system, does that then not give them an advantage over another provider? I guess I'm just wondering, if you have one provider that is getting wage subsidies and one provider is not, there's sort of an inherent unfairness there. I'm also wondering, then, what use is it to the parent? Is

that being reflected in what the parent's paying? Putting aside the subsidies, do you see what I'm getting at? I'm just looking at it sort of as an economics 101 business case and wondering how it works.

**Ms. Livingstone:** One of the things that we've heard for many years from municipalities and from operators is that there's not enough wage subsidy in the system and what's there is not distributed in a way that you were talking about—equity. Part of what we were trying to do was put more wage subsidy in the system and have it distributed—and that's at the discretion of the municipalities—to try and bring some stability. It does do what you're talking about. It's meant to try and support, and in some instances enhance, the salaries of staff, but the benefit is that it makes the cost of child care more affordable to the parent that's participating. So there are those variables in the system. Part of what we were trying to do with the infusion of funds was to bring more stability across.

**Mr. Milloy:** But if I'm shopping for child care and provider A has a wage subsidy and provider B doesn't have a wage subsidy, is provider A more likely to have a lower cost or is provider A—I'll use the vernacular—putting the difference in their pocket, in a sense, if they're charging the same per diem rate?

**Ms. Livingstone:** That is a complicated question. It depends a little bit on who might be operating it. But just in basic theory, yes, you could say that the one that has a wage subsidy would be in a position to offer a lower per diem than one that didn't.

**Mr. Milloy:** But with the demand being so high, they're just going to be keeping the—I mean, there would be no incentive to do that. You would just keep the level where it was.

Are the new wage subsidy dollars available to for-profit providers?

**Ms. Livingstone:** The operating dollars are available to both non-profit and for-profit.

**Mr. Milloy:** Again, I don't meant to be difficult, but I don't understand their utility, then, especially if they're going to for-profit. It's just supply and demand. Correct me if I'm wrong, but I don't see a for-profit or even a not-for-profit saying, "We're getting a wage subsidy. We're going to offer 60% of what the basic value is." I take it that if you went to a community like mine, you'd find it's roughly about X number of dollars for an infant or X number of dollars for a toddler across the city; it may vary a bit. So if you're giving a wage subsidy, if there is this demand, I don't really see an incentive to lower the rate. I understand the system is trying to do good things, but I'm just trying to figure out who it's benefiting.

**Ms. Livingstone:** I guess there's a twofold benefit of wage subsidy, from my perspective. One would be that we know very well that child care workers are not particularly well paid, so some of this is to try and enhance their salaries and benefits. The added benefit of that is that it can make it more affordable for parents.

**Mr. Milloy:** But what percentage of child care workers would receive the benefit? Or is that an impossible question?

**Ms. Livingstone:** I don't know the answer to that question; I'm sorry.

**Mr. Milloy:** Just in your answer to the Auditor General's report, what's the new system going to look like in terms of the wage subsidy?

**Ms. Livingstone:** I guess there's a couple of things about that. We've just issued revised wage subsidy guidelines to try and address a number of the concerns that the auditor has raised around how they're reported and how we reconcile variances and how they're calculated, because there are some issues with variability across that. So we've done that. But the fundamental intention of the wage subsidy is still there; it remains the same. It's meant to try and support the salaries.

There are three kinds of wage subsidies, and within that there are further differences. It's meant to achieve a number of objectives: the salary piece, the affordability piece, assist with some pay equity obligations—those kinds of things. So those are still in place. The addition, with this new funding, was intended to be able to have more wage subsidy in the system to support a broader range of workers and also to support the number of workers that we expect to be in the system against the expansion. We're anticipating the number in the expansion. I'm sorry, but I don't know off the top of my head the number of workers. In addition to that, we were also planning to take steps to improve the wages of ECEs working in the system. So there's wage subsidy and wage improvement as well.

**Ms. Wright:** If I can just add, the wage subsidy policy, just to reinforce what Lynne has said, is a twofold one: One is to try and enhance what I think is generally agreed to be very low wages in the sector to make it more affordable, but it is both objectives. I think it's important to kind of step back a little bit and recognize that part of the complexity of it is that it's a tool that's been used repeatedly to try to meet those objectives over many, many years and it's a little bit piled on top of the other. So when Lynne says there are three kinds and then, in addition to that, there are other ones, it's a highly complex policy area that has been added to year over year. I think we will see, when the expert panel on quality and human resources comes in, that they will probably be looking at ways that we can begin to simplify, if I can use that word, the wage subsidy area so that it isn't as complicated and it's clearer what its overall objectives are. But at this point, it does have a long history of having had one initiative after another, which is the complexity of answering some of your questions.

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**Mr. Milloy:** But is the goal of the new money—you said it's to support the additional spots—that roughly, across the board, 100% of the new spots will have some sort of wage subsidy? Is that the goal?

**Ms. Livingstone:** Yes, we've assumed a level of support for each of those spots for wage subsidy, fee subsidy, special-needs resourcing, administration. In our costing and allocation of operating dollars, we've assumed that.

**Mr. Milloy:** I'm just trying to get a sense of—and then I'll pass it over to the opposition—are there that many workers outside of the wage subsidy world out there? Is there a significant number? This is the basis of my confusion. If I went to my community, would I find that most, 96% or something, or would I find that half of them are struggling?

**Ms. Livingstone:** I don't know the exact answer to your question in terms of how many workers in our system receive wage subsidy and how many don't. I can attempt to get that for you, but I don't know it off the top of my head.

**Ms. Wright:** I think it's a fair guess, given the length of time that we've been involved in doing wage subsidies, that there would be a fair number of salaries that would be included in the wage subsidy. It isn't as if the worker gets a paycheque that says, "Here's your base salary plus your wage subsidy." It isn't as straightforward as that. It gets put into an overall salary allocation on the part of municipalities.

**Mrs. Munro:** If I could just follow up, because I agree with Mr. Milloy that it seems very complex to get a handle on this. I think he just asked you whether or not you would be able to give us a sense of how many people were involved in the wage subsidy system, which I think might be helpful, just to have a sense of, frankly, the complexities of the program.

Also, I think it speaks to the broader policy in terms of going forward. When you're talking about also moving into the area of a College of Early Childhood Educators and revisiting the system of qualifications and standards and things like that, it would seem to me that there's some relationship there that we need to understand.

Could you also give us—maybe you would do this verbally. Someone mentioned earlier the fact that there would be unionized and non-unionized. Do you have any sense of the kind of percentages that we're talking about?

**Ms. Livingstone:** Approximately 11% of the sector is unionized.

**Mrs. Munro:** I think that would be helpful in the context of the whole wage subsidy issue and all that kind of thing.

I want to take the remaining few minutes that I have to look at and talk about the expert panels. There is reference in the material of the Auditor General that these were set up a year ago and that they have a two-year life time or, I guess, over the second year there would be some. I'm very interested in this because I think that regardless of changes in structure, clearly, the whole issue around child care is something that people are very interested in. May we expect to see some preliminary reporting from any or all of these expert panels?

**Ms. Wright:** I think, at this point, they will not be doing a preliminary report for us. We've been working

quite closely with both of the committees. One is on the early learning framework, and one is on human resources and quality. I think that we will probably just be receiving, at this point, a report from them in the fall. Because we are talking to them regularly, we're conscious of the kinds of debates that they are having.

The panels themselves are—perhaps Lynne could add some detail—a very excellent cross-representation of individuals who are involved in child care and who care about child care, from school boards, from the communities, from academics, from researchers, and I think that the expertise they're going to bring, both on the learning framework component, which is really exciting, and on the human resources and quality part, will be extremely useful for formulating policies as we go forward.

I'll ask Lynne to talk a little bit more about the actual working groups.

**Ms. Livingstone:** As the deputy has indicated, the panels are, in some ways, a unique bringing together of experts. One of the things about Best Start that's different perhaps from what we've done in the past is that we've really brought in the education sector in order to focus on that integration between early childhood development and early learning and education. So on both of these panels there's significant representation from the education sector, particularly on the early learning framework panel, because they're looking at developing that advice around what the curriculum should be for early learning that links to the JK-SK learning program so that it feels like a seamless continuum for children.

On the quality and human resources panel, there are a variety of people with expertise in child care, in education, but also from a human resources development perspective. The early learning framework group is very focused; they have that single product. The human resources panel is looking at a plethora of issues that impact on the quality of the interaction between the adult and the child in an integrated early learning and care setting. So the kinds of issues that they're looking at cover the range from, what are the qualifications of those individuals working with the children? How do we recruit them and retain them? That's a major, major issue in the child care system in Ontario. How do people progress, from a career perspective? What training do they require? So that will be very important advice for the sector as a whole.

I think, also, just to combine that with the work on the colleges of ECE, which will be looking at putting in place standards for the profession, that combination of advice and direction will really move Ontario forward in terms of its quality agenda for child care.

**Mrs. Munro:** I notice in the materials we have that there's reference made to the Internet site. Would that be where we would see the information in terms of the makeup of the expert panels?

**Ms. Livingstone:** I believe that the membership is on our website, but we can certainly provide the membership to the committee.

**Mrs. Munro:** I think, again, that that would be helpful for us.

**Ms. Wright:** We can provide the membership and the terms of reference, which I think are on the Internet, but I'm not quite sure.

**Mrs. Munro:** I think that's it.

**Ms. Horwath:** Just a follow-up to one of Mr. Milloy's questions about wage subsidies, particularly with the new program: To what extent is the wage subsidy or the wage component required by the ministry to be spent on wages as it flows through the CMSM and then to the provider? Is it completely required to be spent on wages? It's completely tied?

**Ms. Livingstone:** Yes. Where we start with the municipalities is, they do a service plan around their targets, for example, for wage subsidy. We then negotiate our service contract with them on those targets, so they're funded along a wage subsidy line.

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Then we have a very detailed set of guidelines around what wage subsidy is for, how it should be allocated, how it's monitored, the data elements they're expected to report on and the reporting requirements. So our guidelines are explicit in that area, and we reconcile against their targets. That's the intended process.

**Ms. Horwath:** So then at the current point in time, what is the salary range or the hourly rate that we see in the system currently?

**Ms. Livingstone:** I can only give you an average because as I'm sure you're aware, it varies significantly across the province, but the average wage of an EC worker is about \$23,000.

**Ms. Horwath:** Where are your experts at this point expecting that to go in order to provide a system that maintains consistency of staff, that develops a profession that has an interest so you can actually have a successful college, so that there are professionals that actually want to go into that field and want to then be part of a college that monitors and maintains standards in that field? Where would you expect that wage to go?

**Ms. Livingstone:** We haven't seen what their exact recommendation will be on that front. There is a specific working group looking at compensation, and so I expect they'll be explicit in a couple of areas: one, just around the principles that should guide the decision-making around that, and then I expect we will see some specific recommendations about the range or level.

**Ms. Horwath:** Where are we with pay equity in terms of previous attempts to look at the problems with low pay in that sector? There must be some targets that the pay equity process came up with that indicated where the

wages should be, as opposed to where they are, back in the 1990s.

**Ms. Wright:** I don't have any information in my head right now, though I would submit to you it's probably a little bit out of date, 10 or 15 years, right?

**Ms. Horwath:** Yes, I know it would be.

**Ms. Wright:** For those who were here.

**Ms. Horwath:** It was the 1990s. I just remember what my wages were supposed to be back during that exercise.

My other question is just around the College of Early Childhood Educators. I noticed in your remarks that you didn't indicate a target for when that might be up and running, indicating that there's still work being done on that. Any ideas of when that might be expected to be implemented?

**Ms. Wright:** I would hesitate to give an exact date for implementation because I think we're going to have to look at transitioning into a full college. As you know, setting up colleges is highly ambitious and complex. We've done an initial round of consultations with ECE, our representatives, and we are beginning to formulate what the primary mandate of the college will be. There is a commitment to getting a college up and running in this mandate, or at least get part of it up and running, so we will be looking at doing that, but I don't want to say there's an exact implementation date because we're still very much in the process of figuring out the best way to phase it in.

**Ms. Horwath:** It would be, of course, informed by the work of the human resources committee, and that is expected in the fall.

**Ms. Wright:** Of this year.

**Ms. Horwath:** Thank you, Mr. Chairman. Those were my last questions.

**The Chair:** Okay. Just one point of clarification: Once you have established the income test and the policy guidelines with regard to priority, would you be kind enough to forward those to the committee at that time?

**Ms. Wright:** Oh, for sure, yes.

**The Chair:** Thank you.

We'll meet for a few minutes after the delegation leaves to give the researcher some direction with regard to writing the report.

Thank you very much for coming.

**Ms. Wright:** Thank you very much.

**Mr. Zimmer:** Mr. Chair, when might that information about the complaints and so on be available?

**Ms. Wright:** I can't give you an exact date. I'll get back and ask staff about how much work it is to do it, but we will respond to all of the commitments we've made to the committee as soon as we can.

**Mr. Zimmer:** Thank you.

*The committee continued in closed session at 1155.*





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