



The Association of Day Care Operators of Ontario
1-188 Bunting Rd, St. Catharines, ON L2M 3Y1
admin@adco-o.on.ca
1-800-567-7075

July 19, 2017

Peter Milczyn, MPP
Chair, Standing Committee on Finance & Economic Affairs
Room 1405, Whitney Block
Queen's Park, Toronto, ON M7A 1A2

Re: Bill 148—Fair Workplaces Better Jobs Act

Dear Mr. Milczyn,

Thank you for the opportunity to provide feedback on the *Fair Workplaces Better Jobs Act*. We are providing this feedback on behalf of members of the Association of Day Care Operators of Ontario (ADCO).

ADCO members are the owner/operators of independent licensed child care programs in Ontario. That is to say, child care centres that are licensed and regulated by the Ministry of Education, but are not affiliated with any public sector agency, or any large multi-service community agency. Some ADCO member centres are run as commercial enterprises and some are run as not-for-profit corporations. Of the ADCO member centres that are run as commercial enterprises, the vast majority are small businesses, owned and operated by women. In fact, roughly half of these owner/operators are Registered Early Childhood Educators. Together, ADCO members own and operate some 500 licensed child care programs located in communities across Ontario. Our members serve tens of thousands of families each day and provide employment for over 8,000 people.

Ontario's independent licensed child care owner/operators are deeply concerned about the potential impact of Bill 148. If it is passed in its current form, Bill 148 will have the unintended consequence of increasing licensed child care fees by up to 20% right across the province. Ministry of Education officials have already acknowledged this in meetings with child care sector representatives.

This fee increase will affect licensed centres in the not-for-profit and public sectors, but will have a particularly devastating impact on centres run as small businesses, and on those located in rural and Northern communities. Since most of Ontario's independent licensed child care centres are owned by women, Bill 148 is not gender neutral. Its negative impacts will be born disproportionately by women business owners, some of whom will be forced to close their child care programs if the Ministry of Education fails to implement effective mitigation measures.

ADCO has been in communication with the Ministry of Education on this matter, but so far we have not received any notice that a solution is forthcoming, or even being considered. We have suggested several options. One is to increase the Provincial wage subsidy given to RECEs across Ontario. Another is to allow the current wage subsidy to be counted toward the \$15.00/hour minimum wage threshold. The Government could also slow down the pace of its implementation of some of the other very expensive policy changes and regulatory requirements that it has imposed on Ontario's independent licensed child care programs in recent months.

Another cost-neutral solution would be for the Minister of Education responsible for the Early Years to rescind the Ministry of Education's April 28 directive to municipalities to limit parental choice by reducing the total value of services they purchase from licensed child care programs that are incorporated as businesses. As it stands, the Ministry of Education's new "auspice threshold" applies across the board; even if a licensed centre run as a small business offers per diem rates that are substantially lower than those of nearby school-based programs, the municipality itself, or a larger multi-service not-for-profit that delivers licensed child care as a revenue generator. The new "auspice threshold" also applies when an independent centre offers a more responsive environment or additional supports that are important to a child with a disability.



The Association of Day Care Operators of Ontario
1-188 Bunting Rd, St. Catharines, ON L2M 3Y1
admin@adco-o.on.ca
1-800-567-7075

Without such mitigation measures, not only will all Ontario parents who pay the full fee for licensed child care be forced to pay up to 20% more, the Province of Ontario and municipalities will also have to pay that much more when they do purchase services for families in receipt of fee subsidy. Fee subsidy dollars won't go as far, which means that even fewer families will have access to licensed child care.

Don't forget it's not just the wages child care centres pay that will go up. Bill 148 will also impact the prices we pay to the many suppliers of goods and services we require to run Ontario's licensed child care centres. Bill 148 will impact their costs as well, and they will have no choice but to pass the higher costs on to us, their customers.

Please also consider that the ratio of staff to children in a classroom is mandated by the Child Care and Early Years Act (CCEYA.) That is as it should be. After all, children's safety, well-being and learning experiences rely on having sufficient numbers of qualified staff on hand at all times. However, these mandatory staff/child ratios set licensed child care centres apart from other types of enterprises. We can't just decide to pay a smaller number of people to do a larger amount of work.

Between 70% and 80% of any licensed child care program's overall operating cost is accounted for by staff costs. This holds true whether the centre is run as a small business, a not-for-profit, or even by a large corporation. This is why passing Bill 148 in its current form will not only force all licensed centres, nursery schools, kindergarten programs and family and child centres to raise their fees, it will force some of these facilities to close if families living near their facilities can't afford to pay the higher rates.

The other consideration involved in Bill 148 is what it will do to the portion of working parents who currently qualify for fee subsidy, but who may no longer meet the criteria if they are earning more. Unless the Government comes up with some mitigation steps in this regard, for instance raising the income threshold at which a family qualifies for fee subsidy, there will likely be thousands of families who are hurt by Bill 148. We've seen no evidence that the current Government even knows what portion of Ontario parents will lose their fee subsidy eligibility, but will not gain enough in purchasing power to warrant remaining employed if they also have to pay for child care. The unintended consequence could be that Bill 148 drives many women back into the home, making it impossible for them to contribute their skills and talents to Ontario's paid labour force.

The Government has already set the goals of expanding access to high quality, licensed child care in Ontario and making licensed child care more affordable. If it is to achieve those goals, it will need to take a long, hard look at how Bill 148 can be modified. It will also need to consider how Bill 148 will impact Ontario's licensed child care programs, regardless of whether they are run as not-for-profit corporations, small businesses, or even larger companies. Families need, rely on and value all of these options, and may make different choices at different times in their lives, depending on their needs, location, preferences and budgets. As it stands, Bill 148 is likely to increase all child care fees to the extent that it forces many more parents to opt for precarious, informal care arrangements because that is all they can afford.

Sincerely,

Kerri Whitaker,
Co-President

Andrea Hannen,
Operations Manager