

Ministry of Education

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RE: Transitioning to Ontario's New Child Care Funding Formula and Funding Framework

Dear Early Learning and Child Care Partners,

I am pleased to announce that the Government of Ontario is taking the next steps to help transition and modernize the child care sector.

As you know, the government announced, as part of the 2012-13 Budget, \$90 million in investments in 2012-13 which was the first step in transitioning and modernizing the child care sector in Ontario. Building on this, the government released the discussion paper *Modernizing Child Care in Ontario: Sharing Conversations, Strengthening Partnerships, Working Together* in June 2012 to seek feedback from our partners, stakeholders and the public on key areas for action over the next three years to help stabilize and transform the child care sector. From this discussion paper, we received excellent advice on how to move forward with child care modernization.

As the next step to modernize the child care sector, the government is taking action by introducing a more equitable, transparent and streamlined funding formula and funding framework in 2013. The current funding approach is outdated, unreflective of current demand, uses data elements over 20 years old, and is administratively burdensome and lacks transparency. The revised funding formula and framework will better support the child care sector and families through an approach that responds to demand for services, helps to stabilize fees and mitigates child care centre closures as the sector adapts to the implementation of full-day kindergarten. By streamlining the administrative aspects of child care funding, it will also allow child care operators to focus on improved capacity and quality of programs.

The new formula is based on updated data, reflecting changing demographics, and better responds to demand for services to more effectively meet the needs of municipalities, child care operators and families. A more responsive, rational funding formula will also reduce inequity and efficiently distribute funding to communities with the greatest need.

To provide a smooth transition to the revised funding formula, mitigation strategies (which include \$50 million in mitigation funding in 2013) will ensure that no municipality will see a decrease in total funds available for child care for nearly four years.

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In addition to this, as announced in July 2012, the government is also supporting the child care sector through the Schools-First Child Care Capital Retrofit Policy, which is aimed at helping child care operators to retrofit and convert their existing child care spaces in schools to serve younger children. To support this policy, the government is providing \$113 million over three years to school boards to support these retrofits and renovations. The policy is also helping community-based operators relocate to school sites.

We are committed to modernizing child care by building on the feedback we have received. Implementing a revised funding formula is a very important next step but we also remain committed to the other important components of child care modernization identified in the discussion paper earlier this year. I look forward to working in partnership with you as we continue to build a more robust system that supports our children in their earliest years.

Yours truly,



Laurel Broten
Minister

Resources:

- Ministry of Education website: <http://www.edu.gov.on.ca/eng/>
- Memorandum, technical paper, and child care service management guideline to support new child care funding formula and framework: <http://faab.edu.gov.on.ca/CCMemos.htm>
- *Modernizing Child Care in Ontario: Sharing Conversations, Strengthening Partnerships, Working Together (Released June 2012):*
http://www.edu.gov.on.ca/childcare/Modernizing_Child_Care.pdf