

Planning for Early Learning and Care in Canada: Moving from the Current Market Approach Towards a Universal System

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The benefits of access to quality early learning and early learning and care, for children, families, communities and all of us is now well understood and thanks to the recent federal announcement and investment, finally getting the attention it deserves. The link between accessing quality early learning and care and the success of women in the workforce, and their economic security is obvious. While ensuring universal access to early learning and care must be our continued goal, the way to get there has not yet been clearly articulated. With commitment and direction of governments at all levels we should identify a clear path of how to get there that maximizes our existing services for families. This brief acknowledges the current market approach to Early Learning and Care and identifies a path towards a universal system in a purposeful way.

Introduction

Andrew Fleck Children's Services understands how access to early learning and care contributes to women's economic security. Our agency was established in 1911 by a philanthropic group of Ottawa women who were hiring day workers to work in their homes. They quickly realized that, in order to work, these women needed care for their children. Throughout our 100 plus year history in Ottawa, Andrew Fleck Children's Services (AFCS) has responded to the needs of the community by developing, expanding and adapting programs. For example in the last few years we have had 3 programs, 4 sites, amalgamate with us. Amalgamation of smaller-programs is one component for moving towards a universal system; based on our experience we can speak with confidence on the value of this approach for both stand-alone and multi-site agencies. When each of these stand-alone parent boards approached us, their organizations were going through a change in leadership and were questioning their future direction. When we discussed their full responsibilities as a board: being an employer, accountability to funders and families and long-term viability of the organization, the common response was that they were interested in volunteering, while their child was attending to influence the menu or programming, but did not want the full scope of responsibility. Amalgamation was the most practical solution because if they had decided to simply shut their doors, the loss of non-profit spaces would have had dire consequences for both the current and future families who rely on their services. In all three instances of amalgamation, we retained all of the staff and by not needing to replace the vacant leadership position all staff received a salary increase along with other additional benefits such as increased vacation and personal leave. We also immediately saved \$35,000 in audit, finance and insurance costs. Interestingly, while our agency absolutely believes in maintaining parent fees as low as possible, some of the programs had artificially low parent fees, at the expense of appropriately compensating the staff. This demonstrates one of the challenges for parent Boards, maintaining an objective opinion regarding fee increases that will directly impact them.

Our experience is not unique. The release of Dr. Pascal's report, in 2009, "*With our Best Future in Mind*", shone a light on the current patch work of services available to families and set Ontario on a course of modernization with the intention of building a system. The current market approach is not effective and leaves Canada's families vulnerable, a significant reset is required to stabilize how early learning and care programs are established and deliver services. We must utilize the new funding to invest in a sustainable system. I have identified three recommendations based on our experiences as a long-established agency that will set us on a path towards universality.

Recommendations

Base Fund the Administration Costs of Multi-Service, Multi-Site Non-Profit Agencies Along with a Mandate to Provide Services in a Specific Area

To support moving towards a universal system, the growth of new early learning and care spaces should be focused first and foremost on multi-service, multi-site non-profit operators with a demonstrated ability to meet their community's needs. Multi-service means that programs that have, in addition to early learning and care, programs that support families for example Ontario Early Years Family Centres (OEYFCs),

support and resources for children with special needs and so on. There are many successful examples of the effectiveness of multi-service, multi-site non-profit (and often charitable) agencies, governed by effective volunteer Boards with the expertise and breadth of knowledge to ensure responsiveness, accountability and long-term viability. These agencies have established ways of engaging with parents, beyond those that want to participate on the Board, through parent advisory's or other methods. With this model, agencies would be responsible for collaborating with all licensed programs in their mandated territory to provide support, advice, training, etc. They would be expected to ensure that there was service in each community for an identified percentage of the children, including planning for growth. The options would, based on community needs, include home-based, non-traditional hours and flexible care along with offering other family support services. They may directly operate or perhaps coordinate with established stand-alone agencies as a bridge towards amalgamation. It is obvious that smaller, stand-alone agencies result in resources being duplicated and not used efficiently. Staff responsibilities are stretched; the director becomes required to be up on current HR, Health and Safety and other legislative requirements along with finance and program operational requirements. Smaller agencies are often inefficient for funders because of their limited in-house resources require more support. Recruitment and retention of staff, along with opportunities to access professional growth and development is enhanced by larger agencies, less is spent proportionately on administration and more on compensation. Larger agencies are able to negotiate, based on their size, cost reductions for services and are also able to mitigate the natural ebbs and flows of community needs over time. To accomplish their mandate, the non-profit agency should receive base administration funding which would result in reduced parental costs. Prince Edward Island used this approach in the establishment of their Early Years system in 2010; this model will be able to provide many lessons learned.

Direct All Public Funding to the Non-Profit Sector

This principle is important for multiple reasons but most importantly to ensure that any investment remains a community asset. Families depend on early learning and care, and while community needs evolve over time, including the number of children requiring care, a non-profit agency will adapt and change effectively based on the community needs. If a service is no longer necessary or viable, the assets would be assigned to another non-profit community entity respecting the public investment.

Through the Provinces Establish Regional Salary Scales and Consistent Parental Fees

Knowing that typically compensation in non-profit agencies is 70-80% of the budget, the Province should direct the local service system managers to establish a regional salary scale. In order to access public funding, agencies would be required to compensate based on the established scale. This would stabilize staff, ensuring they are appropriately compensated and limit employee movement based exclusively on salaries. Other operational costs can also be fixed, for example costs per child for food, supplies, etc. Agencies would be expected to spend these amounts versus attempting to save costs in these areas which negatively impacts quality, the only fluctuating cost would be occupancy costs. With over 80% of the costs similar across all neighbourhoods in one community it becomes possible to establish set fees providing parents with consistency and allowing them to choose the care best suited to their family needs not on the basis of cost. Manitoba has established a salary scale and their model should be reviewed. Consistent fees, established salary scale, planned expansion through non-profit agencies are all components that move us closer to a universal system.

Conclusion

The recently announced Multilateral Early Learning and Child Care Framework has set the groundwork for Canada to deliver a quality early learning and care program for all of its children which we know will greatly impact the economic security for women now and in the future. This opportunity is exciting and one that needs to be capitalized on, particularly with the availability and attractiveness of government funding. We must utilize the new funding to invest in a sustainable system and I believe the Standing Committee on the Status of Women (FEWO) has an opportunity to influence how the framework is implemented. I would welcome the opportunity to further expand on how existing non-profit agencies can participate in ensuring licensed, quality early learning and care is accessible, affordable, flexible and inclusive for all families.