

Ontario's Childcare Co-operatives

There are 185 co-operative childcare centres in Ontario that are democratically-owned by the parents or employees of the centre. Co-operative childcare has proven to be a highly-successful and desirable model of community childcare in Ontario with over 40 years of success.

Most of the co-operative childcare centres are owned and operated by the parents of children enrolled in the centre, and they rely on volunteer labour and fundraising to reduce care costs for families. To save money, many of these centres close for the summer months when families are on vacation or when they are able to source other forms of care.

While our co-operative childcare sector supports and applauds the creation of programming that reduces costs for families, there have been some concerns raised by the parent-owners of our co-operative childcare centres about the new \$10/day program recently launched in Ontario. With a level of comfort that co-operative centres will qualify and thrive under the program guidelines, we look forward to promoting the program and encouraging our centres to participate.

There is a Need for Greater Consistency and Coordination Among Municipalities

- Co-operative childcare providers have shared a range of relationships with their municipalities, and the inconsistencies have led to concerns of equitable treatment across the province. Many have expressed confidence that the considerable discretion given to municipalities over, for example, costs, will be used reasonably.
- Recommendation: Require coordination between municipalities to ensure consistency in policies and procedures wherever deemed reasonable.

Make Closure Rules More Flexible to Account for the Diversity of Providers

- The 2022 Funding Guidelines provide that:
 - "During the term of the CWELCC System funding agreement, the licensed childcare program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year while still receiving full funding from the CWELCC System."
- Parent-run co-operative centres are unfairly excluded by this rule, and they would otherwise be perfectly suited for the new program. With the number of childcare spaces required in the province, it is unclear why a successful and affordable form of childcare would be excluded from the program.
- Recommendation: Adjust this rule in consultation with co-operative childcare centres.

Accountability is Vital, But Duplication in Paperwork is Red Tape

- Paperwork to apply for, and account for, program spending is done within the co-operative sector by parent volunteers. Co-operative childcare centres already meet the province's oversight and accountability requirements for existing programs. New accountability requirements do not add value where they request the same information or records.
- Recommendation: The Service System Manager's obligation to "collect sufficient and detailed financial information from Licensees" (16) should be qualified by an obligation not to collect information already in the Service System Manager's possession.

80% Staffing Costs is Reasonable, 10% Administrative Costs is Low

- Our organization strongly supports the recommendation in the 2022 Funding Guidelines that 80% of costs be allocated to staff (18). However, an inflexible maximum of 10% for administrative staff does not reflect the current reality. Childcare is already a highly-regulated field. With the introduction of this new program, there are yet more administrative and financial accountability requirements. Childcare providers need to be able to recruit and retain qualified administrative staff to be realistically expected to comply with all these rules; especially in co-operative childcare centres where the work has been done by volunteers to date.
- Furthermore, 10% allocation for non-staff administrative costs is low, particularly for rural and remote co-operative childcare providers who may have little choice in accounting firms to perform an audit in their area or who are familiar with their unique corporate structure. While the 2022 Funding Guidelines do provide childcare co-operatives with the ability to justify higher expenses, for organizations who will year-over-year face the same issues, this forces an unnecessary extra step in the process.
- Recommendation: Change the 10% for administrative expense (both staffing and non-staffing) from a hard maximum to a recommendation and acknowledge that co-operative providers can reasonably be expected to have higher administrative costs.

