

**On the teeter-totter:
The challenges and opportunities
for licensed child care
in rural, northern, and remote Ontario**

**A report from
the Ontario Municipal Social Services Association**

May 2011



**Ontario Municipal Social Services Association
1 Dundas Street West, Suite 2500
Toronto, Ontario M5G 1Z3
www.omssa.com**

Introduction

For several years, there have been concerns about the state of the early learning and child care system in rural, northern, and remote parts of Ontario. The combination of a declining population, insufficient funding, and the more recent introduction of the Full-Day Early Learning Kindergarten Program (FDK) has put stress on the licensed child care systems in these areas. Furthermore, as FDK reaches wider implementation in 2012-13, the impact to rural, northern, and remote child care will be irreversible without intervention or something new happening.

As the professional association for the municipal children's service system managers, OMSSA believes that the crisis is not irreversible. There are, in fact, several concrete and practical solutions that can help rural, northern, and remote child care.

We believe that these solutions are crucial not only to strengthening child care, but to helping the provincial government in its efforts to transform the entire Best Start Child and Family Service System.

This report examines the challenges facing Ontario's rural, northern, and remote child care system and provides a series of concrete solutions to strengthen licensed child care and to help families and communities across rural, northern, and remote areas of the province. Our report has been drawn from the assessment of the Consolidated Municipal Service Managers (DSSABs) and District Social Services Administration Board (DSSABs) who are responsible for managing their local child care service system.

Our report also builds on the expertise that OMSSA has developed over the last few years in the early learning and child care sector for Ontario, with reports and other products that include:

- *Full-day learning for 4- and 5-year-old children: Building a stronger early learning and child care system in Ontario* (October 2008)
- *Hand in hand: How the province and municipalities can create the best early learning and child care service system for Ontario* (March 2009)
- *Report on the Forum on Best Start Child and Family Centres* (March 2010)
- *Tools for Integrated Early Years Service Planning* (June 2010)
- An Early Years Capacity-building project for CMSMs and DSSABs (Spring 2011)

We are confident that the findings of this report, the solutions we propose, and the overall key messages can be a catalyst for action among our provincial, municipal, and community partners.

- More than **8,100 children** are at risk of losing their child care, including over **500 children with special needs**.
- At least **52 rural child care centres** have already closed over the past 2 years.
- Over **200 licensed centres** are at immediate risk of closing, with over **600 staff** at risk of losing their jobs.
- More than **150 home child care providers** are at immediate risk of closing.

More than 90 towns and villages across rural and northern Ontario will be left with no local licensed child care options.

Key messages

1. Licensed rural, northern, and remote child care promotes readiness to learn among children. As licensed child care providers close, children lose opportunities to be exposed to positive developmental opportunities, making them less ready to enter Full-day Kindergarten (FDK) at age 4.
2. Licensed rural, northern, and remote child care plays a key economic role. As child care centres close, communities lose their economic competitiveness and become less attractive to newcomers and business. The availability of licensed child care also enables parents to enter and stay in the workforce, thus building their families' own economic security.
3. Licensed child care in farm communities protects the safety of children by keeping them in safe, supervised environments. When licensed child care providers close, parents may sometimes have no choice but to leave children at home unsupervised at home, near heavy machinery and dangerous farm implements.
4. The developmental and academic benefits of Full-day Kindergarten notwithstanding, the program has magnified existing structural and economic problems in rural, northern, and remote licensed child care. Challenges of a declining population are magnified because FDK moves a substantial portion of the children from child care to school-based programming. Those 4- and 5-year-old children were key revenue sources that helped to subsidize care for the more expensive infant and toddler populations. To survive, centres must undertake expensive capital retrofitting to transition their services for the younger populations—of which there are fewer and fewer in the first place.
5. Licensed child care is a community necessity, a “public good” essential to the long-term success of children and the community. Accepting that the basic costs of service delivery are higher in rural, northern, and remote areas is part of this commitment to licensed child care. Additional resources are needed, therefore, to ensure equal levels of service for child care and other human services in these areas.
6. The emerging Best Start Child and Family Systems are keys to strengthening child care and to creating integrated service systems for families in rural, northern, and remote communities.

Who responded?

35 out of 47 CMSMs and DSSABs completed OMSSA's survey, representing 75 percent of our members. The respondents came from the entire geography of Ontario and included rural areas and areas with a greater mixture of urban/suburban and rural geographies.

Area of Ontario	Geographic type		Total
	Mostly rural	Mixed rural and urban/suburban	
East	8	3	11
West	8	5	13
North	6	4	10
GTA	0	1	1
Total	22	12	35

The systemic challenges of rural, northern, and remote child care

For many years, there have been concerns about the long-term sustainability of the sector, as populations declined and funding did the same. The expansion of Best Start in the mid-2000s brought some hope, with new investments in child care fee subsidies and the addition of wage subsidies. Still, by the end of the decade, many communities saw their pool of licensed child care sit at levels far below where they should be. For example, in 2008 in Wellington County, there were licensed child care spaces for only 7 percent of the child population, about half of the typical space-to-children ratio.

It is important to state that the introduction of Full-day Kindergarten (FDK) is not the primary cause of the challenges in rural, northern, and remote child care. In fact, FDK offers many development and academic benefits for children, and OMSSA continues to support the program. In particular, Full-day Kindergarten demonstrates a clear understanding of the importance of blending the best of early childhood education with school-based early learning.

What Full-day Kindergarten has done, however, is to take the structural problems of the rural, northern, and remote child care system and magnify them.

The challenges of a declining children's population are magnified because FDK moves a substantial portion of children from child care to school-based programming. The funding challenges are magnified because those 4- and 5-year-old children were key sources of revenue that helped to subsidize care for the more expensive infant and toddler populations. Now, to survive, centres must undertake expensive capital retrofitting to adapt their services for the more expensive younger populations—of which there are fewer in the community in the first place.

Closing the doors

For many licensed child care providers, it does not make sense to undertake the expensive retrofitting process, and instead they sometimes are closing their doors to children and families.

Our research found that at **least 52 rural, northern, and remote licensed child care centres have closed in the past two years**. Two-thirds of municipal service managers reported that at least one licensed centre closed in their area, and 8 communities reported the closure of 3 or more centres. Looking ahead, CMSMs and DSSABs forecast that over **200 more licensed centres are at immediate risk of closing**.

“The problem isn’t always the lack of child care spaces. Sometimes, it’s the inability to fill all the spaces that affects the providers’ ability to stay open. But just because there are fewer children overall, it doesn’t remove the needs of those families who do require services in small communities.” (CMSM, Eastern Ontario)

Licensed home child care is at risk too. In many rural communities, licensed home child care plays a significant role, as parents prefer to put their children in nearby homes rather than in more distant centres.

Home child care operators sometimes provide the only child care option in communities where more formal centre-based programs are not available. Yet **at least 150 licensed home child care providers are at risk of closing**. Moreover, service managers report that when a home child care operator closes because of business difficulties, it is difficult to get them to re-open once the business climate changes.

Our survey found that there are **at least 90 towns, villages, and hamlets where the community's only licensed child care centre is at risk of closure**. In other words, children and families in at least 90 communities could have no local licensed child care options whatsoever.

It's all about the children

These closures mean that **over 8,100 children are at risk of losing licensed child care opportunities in their rural, northern, and remote communities**.

These children will be left without access to the developmental and educational benefits provided by licensed child care.

Why are centres closing?

There are multiple reasons why rural child care centres are closing, but the two most common reasons are declining enrolment and staff recruitment.

The problem of **declining enrolment** stems from the fact that there are simply fewer children using licensed child care in rural, northern, and remote communities. Broad demographic trends are working against child care centres in rural communities, where there are fewer families with younger children. As well, the introduction of full-day kindergarten is moving 4- and 5-year-olds from formal, licensed care into school-based programming.

A second reason for closures is that rural, northern, and remote communities are having serious difficulties **attracting and retaining qualified staff** to work in child care centres. Pay scales are generally lower than in urban areas (and lower than in school-based full-day kindergarten programs). Even though the cost of living is generally lower in non-urban communities, the wage differentials are sufficiently large to deter early childhood educators from settling in these areas. The lack of qualified staff means that many centres are staffed and even supervised by underqualified workers—which directly lowers the quality of care for the children.

Where will families go?

With fewer options for licensed child care in centres or in homes, there is a real chance that families will increasingly turn to the informal and unlicensed child care sector.

This is an unfortunate trend, because much of the provincial government's efforts have focused on supporting the advancement of licensed child care. The original Best Start initiative, together with the report from the Early Learning Advisor,

made very clear that there is a goal to strengthen the licensed child care community. The Best Start Child and Family System work similarly is intended to keep licensed child care as a foundation for the broader service system. Yet, the reality in rural, northern, and remote Ontario is the very opposite: licensed child care is weakening and unlicensed care is growing.

Why licensed child care matters to rural, northern, and remote families

Quality, licensed child care benefits children developmentally and physically.

Without quality, licensed child care opportunities, the youngest children in a rural, northern, or remote community will not have access to the same kinds of developmental experiences that their urban counterparts have. There is a degree of irony in the impact of Full-Day Kindergarten on rural, northern, and remote child care. The very program intended to promote school readiness in 4- and 5-year-old children is contributing to the disappearance of programs for younger children. The result could be that fewer children in non-urban areas will enter Full-day Kindergarten ready to learn.

Particularly in farm environments, quality, licensed child care also reduces physical risks to children. Sometimes without quality, licensed child care as an option, parents have no choice but to leave children unsupervised in environments with access to dangerous, heavy machinery. This poses a potential serious safety issue for young children.

Quality licensed child care allows rural, northern, and remote families to enter and remain in the workforce.

Parents rely on child care to enable them to enter and stay in the workforce. Having child care nearby means parents can drop their children off on the way to work and pick them up on their way home. Without licensed child care available locally, parents might have to travel to other communities to access child care services, making them more likely to try to use unlicensed, informal care that is more conveniently location. This economic risk is more prevalent for Ontario's vulnerable populations, such as those in receipt of Ontario Works, who rely on child care as a necessary support to re-enter and remain in the workforce.

“While rural child care centres tend to be small, they are often the hub of the community and the place for parents to get information on other services for young children. They stand alone as a standard for quality child care in these areas and indirectly influence the quality of the unlicensed programs.” (DSSAB, Northern Ontario)

Why licensed child care matters to rural, northern, and remote communities

The fact remains that many licensed child care centres and providers in rural, northern, and remote communities struggle to operate in an environment where the basic costs of service delivery are so much higher than they are elsewhere in the province. Were they to be in any other business sector, these operators would be left to fight for survival in the marketplace. The reality is, however, that licensed

child care is not simply another business that should be left to the vagaries of the “market.”

In rural, northern, and remote communities, child care is a community necessity, a “public good” that is essential to the long-term success of children and the community.

The absence of quality, licensed child care puts an entire community at risk. Some areas will be hit more seriously than others, but in every community these closures will have a major economic impact on the long-term competitiveness of the community. Not only might existing staff lose their jobs, but the closure of child care centres can affect the attractiveness of a community to those who are looking at re-locating. Young families are less likely to move to a community if there is no quality child care facility.

There is a direct link between the disappearance of rural, northern, and remote child care and the decline in the economic attractiveness and competitiveness of these communities. Among the negative cascading effects of child care closures are:

- Families have to travel farther to access child care services, meaning higher gasoline and travel costs and more time spent commuting to child care centres.
- Staff who are laid off lose their income and, by extension, their spending power in their local community.
- A loss of business taxes, with fewer child care providers operating as businesses.
- Potential impact on social assistance caseloads, since people might no longer be able to work without the availability of licensed child care.
- The loss of a community amenity that attracts new residents and businesses.

“The closure of rural child care centres would have a ripple effect on our small communities. They rely on the local restaurants for lunches and the loss of revenue to the restaurant in one community would be approximately \$10,000 annually. Most centres hold accounts at local businesses including pharmacies, grocery stores, print shops, newspapers, utilities, and cleaning companies. In two of our communities the rent paid by the child care centres help sustain a recreation centre and a private company.” (CMSM, Southwest Ontario)

Concrete solutions to helping rural child care

OMSSA members identified many pressing problems facing rural, northern, and remote child care today, including problems within the sector (staffing challenges, centre viability) and challenges of rural, northern, and remote communities in general (transportation and accessibility, declining populations).

But our members also proposed concrete solutions to some of these challenges, to help move the discussion forward in a constructive manner. The following are solutions for all parties—the federal, provincial, and municipal partners, along with community and other sector organizations—to consider so as to strengthen rural, northern, and remote child care:

Most generally, we believe that the commitment to a strong early learning and child care system must extend across the entire prenatal-to-12 service system. The provincial commitment to Full-day Kindergarten must be matched by a commitment to the early learning and child care opportunities for children of all ages.

As well, the emerging Best Start Child and Family Systems must be developed to specifically strengthen licensed child care and to create integrated service systems for families in rural, northern, and remote communities. As communities think creatively about new service models, they must intentionally work to ensure that licensed child care remains as a strong foundation for their local service system.

In addition to these broad, system-oriented solutions, OMSSA members identified other issue-specific solutions:

Some concrete solutions to increase centre viability, include:

- Provide base operational funding for centres. There are basic costs to running a centre regardless of the number of children enrolled. Centres require a degree of stable operational funding to ensure they are viable, and should not be forced to rely solely on parent enrolment fees to operate.
- Increase access to free or low-rent spaces in schools and other community spaces.
- Promote carpooling and offer free rural bus or gas vouchers to help parents with accessibility challenges.
- Ensure flexibility with legislation and make changes to the Day Nurseries Act, including revising the scale and criteria for income testing.
- Change the Day Nurseries Act in terms of allowing more flexibility of age ratios.

“Most rural and remote centres are operating at 30-to-50-percent capacity, with the same overhead costs. Fees are increased and wages and staff are reduced in order to balance budgets, leading to loss of qualified staff, lowering program quality, and accelerating the loss of enrollment.” (CMSM, Eastern Ontario)

Some concrete solutions to support licensed home child care, include:

- Change staffing ratios, making it worthwhile to stay open and licensed.
- Eliminate the 2-under-2 rule. Make it 3-under-3.
- Expand capacity to care for school-age children before and after school.

Some concrete solutions to staffing challenges, include:

- Offer more competitive salaries to attract better qualified staff.
- Offer a northern-rural incentive to attract and keep local staff.
- Support full-time employment opportunities as much as possible.
- Promote ECE training to high school students and adults.

Some concrete solutions to building and infrastructure challenges, include:

- Provide capital dollars for renovations and relocations.
- Support the operational costs of buildings.
- Increase health and safety funding to address ongoing facilities and material issues.

Promote and market the benefits of licensed child care as a provincial strategy. Make families aware of the benefits to the children, including school readiness and developmental benefits.

Conclusion

This report provides some concrete measures of the challenges facing rural, northern, and remote child care in Ontario. It also provides some concrete solutions to these challenges.

Licensed child care in rural, northern, and remote communities requires a comprehensive solution that does not base its funding solely on the numbers of children in the system. The declining child population in these areas makes a population-based funding solution entirely inappropriate.

There are basic service costs of operating in areas with low population density and wide geographies—much higher costs than are found in the urban and suburban parts of Ontario. These costs-of-service realities must be factored into any sustainable funding solution.

The presence of licensed child care in a community is a basic, essential service—a “public good”—for the population. The presence—or absence—of licensed child care is also directly linked to the economic competitiveness of a community. Without licensed child care, communities cannot attract new families or new businesses, creating a negative spiral of decline and abandonment.

The time to act is now. Provincial and municipal partners must come to an understanding that an investment in licensed child care is a smart investment in rural, northern, and remote communities.

OMSSA is pleased to offer this analysis of the rural, northern, and remote child care environment. We look forward to continuing to work collaboratively with our provincial, municipal, and community partners and are confident that our discussion will be a catalyst for strengthening rural, northern, and remote child care and the broader Best Start Child and Family Systems across Ontario.