

Legislative  
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Assemblée  
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## **Official Report of Debates (Hansard)**

P-7

## **Journal des débats (Hansard)**

P-7

### **Standing Committee on Public Accounts**

Special Report,  
Auditor General:

Performance Audit:  
Canada-wide Early Learning  
and Child Care Program

1<sup>st</sup> Session  
44<sup>th</sup> Parliament

Monday 8 December 2025

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vérificatrice générale:

Audit de performance:  
Programme pancanadien  
d'apprentissage et de garde  
des jeunes enfants

1<sup>re</sup> session  
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Lundi 8 décembre 2025

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Chair: Tom Rakocevic  
Clerk: Thushitha Kobikrishna

Président : Tom Rakocevic  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Monday 8 December 2025

Lundi 8 décembre 2025

*The committee met at 1445 in room 151, following a closed session.*

2025 SPECIAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF EDUCATION

Consideration of the Performance Audit: Canada-wide Early Learning and Child Care Program.

**The Chair (Mr. Tom Rakocevic):** I would like to call this meeting of the Standing Committee on Public Accounts to order. We are here to begin considerations of the 2025 Performance Audit: Canada-wide Early Learning and Child Care Program.

Joining us today are officials from the Ministry of Education. You will have 20 minutes collectively for an opening presentation to the committee. We will then move into the question-and-answer portion of the meeting, where we will rotate back and forth between the government, official opposition and third-party caucuses in 20-minute intervals.

Before you begin, the Clerk will administer the oath of witness or affirmation.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Denise Allyson Cole, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Denise Allyson Cole:** I do.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Thank you.

Holly Moran, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Holly Moran:** I do.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Thank you.

Matthew DesRosiers, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Matthew DesRosiers:** I do.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Thank you.

Karen Puhlmann, do you solemnly affirm that the evidence you shall give to this committee touching the subject

of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Karen Puhlmann:** I do.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Thank you.

Whitney Wilson, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Whitney Wilson:** I do.

**The Clerk of the Committee (Ms. Thushitha Kobikrishna):** Thank you.

**The Chair (Mr. Tom Rakocevic):** Thank you very much. Welcome. I would invite, once again, each of you to introduce yourselves to Hansard, just as you begin speaking and just that one time.

Thank you very much for being here, and you may begin. You have 20 minutes.

**Ms. Denise Allyson Cole:** Good afternoon, committee members. My name is Denise Allyson Cole, and I am the Deputy Minister of Education. We're delighted to have the opportunity to appear before this committee.

With me is Holly Moran, and Holly is the assistant deputy minister of the early years and child care division; Matthew DesRosiers, who is the director of the funding branch within the early years and child care division; Karen Puhlmann, who is the director of the child care branch, also within that division; and Whitney Wilson, who is the director of early years branch within that division as well.

We welcome the opportunity to provide committee members with the ministry's response to the Auditor General's report and outline the progress we have made, as well as the steps ahead.

The child care sector in Ontario, as you know, is large and complex. Historically, parents in Ontario were paying the highest fees in the country. In March 2022, Ontario signed a deal with the federal government that would transform the child care system in Ontario, lowering fees, increasing access, improving quality and supporting inclusion. And in just a few short years, we've done just that through the implementation of the Canada-wide Early Learning and Child Care system—because that's a mouthful, we refer to it as CWELCC. This required significant collaboration, not only for our ministry but for our municipal partners and child care licensees, who have come together to implement a complete overhaul of the

child care system, a system that is critical to families across Ontario.

Top of mind for many parents and guardians, of course, are fees, which have been drastically reduced. Immediately on signing the agreement, parents of children in CWELCC programs were eligible for a 25% fee rebate. On December 31 of that year, a second fee reduction took effect, lowering fees by more than 50% of what they had been before Ontario signed the deal. And now, as of January 2025, fees for spaces in participating programs were lowered to an average of \$10 per day, with a maximum of \$22 per day, which we know is helping to make life more affordable for hundreds of thousands of Ontario families. This halted and reversed the historical trend of increasing fees. For example, average fees for infants—the youngest and, typically, the most expensive age group—have declined by about 70% from the March 2022 level.

In comparing the largest representative cities across provinces, third-party research shows Ontario has materially reduced costs by the greatest amount. Of the 10 cities across the country with the highest fee reductions in dollar terms, the top nine are in Ontario, most of which are in the GTA. The impact of this is far-reaching and promotes healthy child development; broader economic gains, particularly for women, through increased workforce participation; and lower household costs for families.

Ontario's plan to implement the CWELCC system also supports the creation of 86,000 net new licensed child care spaces for children age zero to five by the end of 2026. At the beginning of CWELCC, all licensed programs were invited and encouraged to join the system, and 92% of them said yes. To ensure the expanded system supported inclusion, in 2023, Ontario introduced a direct-growth approach to improve child care access for children from low-income families, vulnerable children, children from diverse backgrounds, children with special needs, francophone children and Indigenous children.

As of June, Ontario has created more than 41,000 new CWELCC spaces towards our target, and the system continues to grow. Recognizing the importance of a strong and well-supported workforce, the ministry and the government introduced a workforce strategy to support the recruitment and retention of qualified professionals working in licensed child care. The strategy includes increased wages, and improving working conditions and career development for registered early childhood educators employed by child care operators enrolled in the CWELCC system.

Ontario's workforce strategy increased the starting wage for eligible registered child care educators to \$23.86 per hour in 2024, up from the planned \$20 per hour, and extended the eligibility ceiling for a \$1-an-hour increase so more registered early childhood educators can benefit. With the annual \$1-per-hour increase, on January 1, 2026—just a few weeks away—registered early childhood educators and program staff will see their wages increase to \$25.86 per hour. This is a step forward in supporting the child care workforce. In addition to improved wages, key

elements of the workforce strategy are supporting entry into the profession and career development, cutting red tape for employers and providing more flexibility in staffing their programs, and launching promotional campaigns to bolster awareness and value of the child care profession. Retention and recruitment of a high-quality workforce is critical to the successful implementation of the CWELCC system and will help achieve system growth.

In January 2025, an entirely new funding framework was introduced. This framework was designed to strengthen fiscal accountability, ensure sustainability and protect taxpayer dollars. This new funding approach was informed by extensive sector consultation and prioritizes a simple, easy-to-administer system that more accurately reflects the true cost of child care delivery. The approach includes robust cost controls and incentives to keep eligible costs close to standardized benchmarks, while ensuring a reasonable but protected level of profit and surplus. All parameters of the program were statistically based on extensive financial data collected directly from the sector.

The ministry is in the midst of developing a new online digital tool that will streamline processes for families and administrators. It will also enable the ministry to gather better data for analysis, helping support evidence-based provincial planning while reducing burden for operators and families. Rolling out in phases starting in 2026, the tool will allow parents and guardians to search and apply for programs, centralize access to wait-lists, track applications and report data directly to service system managers and the ministry.

I'd now like to turn to the latest when it comes to CWELCC in Ontario.

Ontario has shared serious concerns about the estimated \$10-billion funding shortfall required to sustain the CWELCC agreement over another five-year term. Addressing this challenge is essential to maintaining affordability and system stability. The federal government has been aware of this funding shortfall since the start, so we both knew we had work to do together to deal with this issue.

Ontario has successfully negotiated a one-year extension to the CWELCC agreement that secured over \$3.6 billion in federal CWELCC funding for 2026-27. This represents a \$695-million increase to Canada's initial offer.

While the one-year extension does not solve the funding shortfall, it will sustain the system for the coming year. This means that parents' fees in CWELCC-enrolled programs will continue at their current levels with an average of about \$19 a day, through to the end of 2026, and it gives the broader child care sector and Ontario families much-needed stability while we continue to work with Canada on a fair and sustainable longer-term agreement.

**The Chair (Mr. Tom Rakocevic):** Ten minutes remaining.

**Ms. Denise Allyson Cole:** Thank you.

Our focus now is on securing the best possible agreement for Ontario families; one that ensures child care is affordable and delivers more spaces and workforce stability.

Today, we're here to talk about the recently released report from Ontario's Auditor General, which has provided a snapshot of our progress under CWELCC so far, while also highlighting areas for improvement.

Through the first half of this year, our team worked very closely with the Office of the Auditor General to support their review. Involving numerous conversations and hundreds of supporting materials, this was an intensive but important process—one that will support our ongoing implementation of CWELCC and help to inform plans going forward.

We thank the Auditor General and her team for the recommendations, many of which support our own concerns and will be useful when we're talking to the federal government about the future of CWELCC. I'm very pleased to say that we already have work under way that will address several of the Auditor General's recommendations.

You will have noted that many of the recommendations point to the need for more data and analysis to ensure that our policies are having the intended results. As I mentioned, the child care system in Ontario is large and complex, and one of these complexities is that the funding is administered by municipal service managers. This means that the Ministry of Education does not have access to all the data it needs to manage the system effectively.

With respect to these recommendations, we're very excited about our new digital tool. While the tool will provide a more streamlined and modern service for families, it will also enable us to collect data on barriers to access, wait-list trends, fee subsidies and, in future phases, assist with monitoring workforce data. This initiative is about creating a more equitable, stress-free digital experience for families, while establishing greater provincial consistency across the province. The tool will collect key information that will inform future planning and help to resolve many of the issues identified in the report.

#### 1500

On fee subsidy enrolment: As more families enrol in more affordable CWELCC spaces, it is natural that the need for the fee subsidy will decrease. As the Auditor General's report notes, there are many reasons for this. CWELCC is making child care more affordable in general, so the need for the fee subsidy is decreasing. It could also be, where parental contributions are close to CWELCC fees, families may not want to go through the trouble of applying anymore, or any of a host of other reasons.

All to say, that is why the Auditor General's report recommends that the ministry gather data and analyze the root causes for the decline in enrolment for children whose families are receiving fee subsidy. The new digital tool will help us do just that.

The ministry also recently released a discussion paper to municipal service system managers, or SSMs, on fee subsidy. The paper, which was released in October, out-

lined five proposed child care fee subsidy policy changes and three additional areas of exploration for feedback from municipal service system managers.

One area of exploration, in consultation with our municipal partners, is looking at existing or considered practices that promote or prioritize child care access for fee subsidy families. Responses from service system managers will inform future policy decisions, as well as the design of the new IT solution for child care and early years.

The Auditor General's report also made some recommendations around addressing Ontario's child care workforce shortage and better monitoring workforce strategy targets and outcomes. In June of this year, the ministry updated its workforce supply-and-demand model, which showed Ontario is currently exceeding the number of qualified staff required under the agreement by 6%. Starting in 2024, the ministry doubled funding for the qualifications upgrade program to support more applicants in obtaining an early childhood educator diploma, register with the College of Early Childhood Educators and reduce student financial burden, prioritizing applicants living or working in francophone, First Nations, Métis and Inuit communities.

We're also beginning to see promising workforce trends following the release of the workforce strategy investments. Applicants for early childhood education college diploma programs and registration with the College of Early Childhood Educators have increased by more than 25%, which will result in more registered early childhood educators in the system. The ministry is continuing to collect and analyze available data to gauge the continued impact of the workforce strategy on wages, recruitment and retention in the sector.

Building on this work, Ontario is advancing two initiatives under the workforce strategy, focused on empowering municipal service system managers to collaborate with community partners and implementing creative and equity-focused strategies to strengthen recruitment and retention of early childhood educators.

The first is the Innovation Fund, providing one-time funding in 2026 to municipal service system managers to develop local solutions through partnerships with employers, schools and community organizations.

The second is the 2026 ECE Promotional Fund, a time-limited initiative with funding for service system managers to promote the value of careers in early childhood education, raise awareness, attract talent and build an inclusive workforce.

The ministry will take further action to address the remaining elements, including working with our municipal and federal partners to strengthen the system for families and the sector.

In closing, I want to say that high-quality child care supports healthy development of kids by fostering cognitive, social and emotional growth. It is the start of their early childhood education and the foundation for success in their learning and academic journey. We know that parents and caregivers rely on access to affordable child

care. It is especially critical to supporting women's work-force participation and is a key component for economic productivity.

The ministry accepted all the auditor's recommendations, and even though the report was released only eight weeks ago, we're already making major progress. We remain committed to delivering an early learning and education system that achieves measurable impact, supporting more than two million students and half a million early learners while strengthening the child care workforce, ensuring that public investments will be directed toward outcomes that improve learning, expand access and create lasting value for Ontarians.

Thank you again for the opportunity to speak with you today, and we look forward to your questions.

**The Chair (Mr. Tom Rakocevic):** Thank you very much. This week, we will be proceeding in the following rotation: We begin with government members, followed by the third party, followed by the official opposition, in 20-minute blocks.

We are now beginning with the government side. Who will begin? MPP Firin, you have the floor.

**MPP Mohamed Firin:** I'd like to thank Deputy Minister Cole and her team for their presentation.

My question is, in the Auditor General's report, there's a lot of emphasis on improving data quality and consistency. We know the ministry's work on that has already begun. Could you talk about some of the early improvements you're seeing as the work gets under way and how those improvements are supporting planning across the province?

**Ms. Whitney Wilson:** Whitney Wilson, director of early years. Thank you.

The development of the new digital tool is under way. It is a long process to make a tool like this. It is going to be quite transformative for the sector. As of right now, we are doing early work to design and implement the system. The outcomes that we are going to talk about today are really longer term.

Once that system is implemented, we will see a much more seamless experience for families. They will be able to go to a single provincial access point to access child care and early years programming. We will see a more equitable experience. Right now, families, when they are accessing child care across the province, depending on where they're located, may have access to some tools within the municipalities. Others may not have those. They may be dealing with paper-based processes. So we will see something that is much more equitable for families across the province.

There will be significantly less burden both for families and for operators. So right now, you can imagine that a parent looking to add their name to a wait-list is going to add their names to multiple wait-lists. Each of those operators might have different processes for adding your name, maintaining your name on the wait-list, then those operators have to maintain those lists when people come into their program or move into a different program and they have to remove them. So the new system is going to

do a lot of that automatically and significantly reduce that burden both for families and for operators.

It will also reduce and streamline a lot of the reporting that is currently done by operators. As you can imagine, there is reporting that is done to the municipalities; there is reporting that is done to the province. All of this is going to be streamlined within the new digital tool, which will allow those operators to spend that time with children in their centres.

It will also increase the amount of data available to the province. So I think, as you've seen in the Auditor General report, there are a lot of things that we do not have data on currently, and that really impedes our ability to plan at a local and provincial level. So by implementing the new digital tool, we will be able to get a bigger picture of the full province and the data—in terms of socio-demographic data, planning data—and it will allow us to be a little bit more planful in terms of where we are placing spaces and how we are moving forward with some of the work that we're doing.

In terms of short term, I think we are seeing a lot of input from operators and families. We've done extensive consultations so that those parties that are going to be most impacted by the system are informing the design and will ultimately have a better outcome when we implement.

**The Chair (Mr. Tom Rakocevic):** MPP Darouze.

**MPP George Darouze:** Chair, through you: Thank you very much to the team for being here to answer our committee's questions.

One thing that stood out for many of us was how different the wait-list information is collected across the regions. People often ask why the numbers look so different depending on where you live. Can you share how the ministry is gathering and interpreting that information in a consistent way and how that will eventually help guide planning for new spaces?

1510

**Ms. Whitney Wilson:** Based on the region, there are different ways that data is collected. Some municipalities and service system managers will collect it under a central wait-list for their region. In other regions, there is no centralized wait-list, and different operators maintain their own wait-lists and have their own processes.

The demand changes across the province. You have areas with different populations, different demands, so you're going to see that in the numbers, but there are also going to be different processes for how it's collected. The way that the new digital tool will improve things is that there will be one single access point in the province to access all wait-lists. It will essentially centralize the wait-lists, so you will be able to see a unique demand. Right now, the province doesn't have a good sense of how many children are actually on wait-lists because families will put their names on multiple wait-lists, and those wait-lists aren't cross-referenced with each other. So even if we were to ask every operator in the province to provide us their wait-lists, we would still have no sense of the unique names on those wait-lists.



Through the new system, we will have a real, true sense of the demand across the province that will help us plan. It will also help us in conversations with the federal government to share what that demand looks like and what the funding needs to be to accompany that demand.

**Ms. Holly Moran:** Hi. I'm Holly Moran, assistant deputy minister, early years and child care division.

One thing I wanted to add as well is that it's part of the complexity of the system. Those wait-lists are not managed provincially; they're not managed municipally. They're managed largely at the local level. At the moment, the ministry only has capacity to do a point-in-time evaluation of what a wait-list might look like and only do that through a collection of that information across. So we don't have that accurate, ongoing sense of what the demand looks like, which the new system will give us.

**MPP George Darouze:** Thank you, Chair.

**The Chair (Mr. Tom Rakovec):** MPP Cooper.

**Mrs. Michelle Cooper:** Thank you, Deputy Minister Cole and your entire team for being here today and for your presentation.

We hear from municipalities and partners that they work hard to provide accurate information, but every region, as you said, has its own systems. How is the ministry supporting municipalities to move towards more consistent reporting while modernization continues?

**Mr. Matthew DesRosiers:** I'm Matthew DesRosiers, director of funding.

While the SSMs do have a legislative goal in the planning, the funding, the administration and even, in some cases, the operation of child care in Ontario, there really is some benefit to standardizing a lot of the things in a centre that happen. So while we continue to work on all the good things that Whitney and Holly talked about, we're also trying to standardize the collection of financial information that we're getting through our new cost-based funding system.

As part of the accountability framework for that, we've issued pretty extensive guidance out to all of the SSMs on the data that we need them to collect to allow them to do the accountability work that they need to ensure all the costs that are being incurred by the operators are actually eligible. It's allowing the SSMs to do their accountability checks but also allowing us to gather the same information from all of the operators through those SSMs so that we can also do an evaluation of the program as well. So there's lots of extensive guidance out to them. We've also provided them with reference spreadsheets, for example, that they can use if they need to do that.

To that end, the guidance is specifying the data they need to collect from the licensees and various specific details. It's also what they need to use while reviewing those submissions. We've given them guidance on what they need to compile if they're doing year-end reconciliations and what they have to provide to us as well when they give us regional-level data. I think that, collectively, is really going to help us in the first instance while the digital tool is being built.

**Mrs. Michelle Cooper:** Thank you.

**The Chair (Mr. Tom Rakovec):** Further questions? MPP Rosenberg.

**MPP Bill Rosenberg:** Thank you, Deputy, for your presentation and your team for bringing us up to date on all the newest information.

When we have spoken with operators and municipal partners, a lot of them have mentioned the one-year extension and the increased federal funding, especially because it reflects Ontario's long-term position that long-term sustainability needs to be part of these discussions.

From the ministry's perspective, what does this extension make possible in terms of continuing that work and preparing for the longer-term agreement?

**Ms. Whitney Wilson:** As you know, the ministry's collective child care agreements were set to expire on March 31, 2026. There are three child care agreements that that impacted: the Canada-wide Early Learning and Child Care Agreement, the early learning and child care infrastructure agreement and the Early Learning and Child Care Agreement. In February, the federal government sent us an offer letter that fell significantly short of what it would have taken to continue the program and fund it as it currently is, and to simply maintain the terms of the current agreement. From there, as I think the deputy already mentioned, the shortfall—the \$10-billion shortfall—was not a surprise. This was something that was communicated—

**The Chair (Mr. Tom Rakovec):** Ten minutes remaining.

**Ms. Whitney Wilson:** —at the beginning of the agreement and throughout, and at program review.

So the extension, as it is right now, gives us more stability. It gives us another 12 months of negotiation, it keeps fees at the current average of \$19 a day and it allows us to have further conversations with the federal government, prioritizing more spaces, prioritizing further workforce investments and having the conversations that we need to have to ensure that we have a longer-term agreement that allows for a sustainable program.

**Ms. Denise Allyson Cole:** I'll add to that as well. Although the agreement does not expire until March 31, it was really critical that we get the extension from the federal government now because municipalities are on a calendar fiscal year, so as of January 1, they would've been out of money. So that was why it was critical for us to get the extension now, even though the agreement does not expire until March 31.

**MPP Bill Rosenberg:** Thank you, Deputy.

**The Chair (Mr. Tom Rakovec):** MPP Smith.

**Mr. David Smith:** Thank you, Deputy Cole, for your presentation. It seems like a well-greased machine here. Everybody seems to be stepping in and answering some of the questions.

Communities grow in very different ways across Ontario, and we see that some areas can move more quickly than others when it comes to adding new child care space. Could you speak to some of the approaches of partnership that have been especially effective in helping regions bring new space online?

**Ms. Holly Moran:** Thank you for the question. I'm happy to take that.

When we looked at the opportunity that 86,000 net new child care spaces presented to the province, we wanted to make sure that we were lifting up access in areas of the province that historic market-driven child care had left behind. So we did an extensive review of the access ratios—how many spaces per child—right across the province, and we started out with targets that were stretch targets for many of those most-underserved communities in the province. We pushed them as far as we could to try and lift them up to where they were in other areas.

The two examples that I typically use were, at that point in time, Oxford county, at the low end of the spectrum with a 16% access rate, in sharp contrast to other areas of the province like Halton region or York region, where access was closer to 50%. So we took those most underserved communities—we also factored in some socio-economic and socio-demographic factors—and lifted up areas where they were the worst served in the province. They were stretch targets for a number of those areas, and with only a year left to get those spaces on board, we had to transition and do it a bit differently.

But maybe, Whitney, I can ask you to fill in some of the other pieces there.

**Ms. Whitney Wilson:** Yes, absolutely. The service system managers have their own approaches in terms of how they request bids for proposals for things like spaces and how they consult. They are required, as part of CCEYA, the legislation, to have service system plans, and part of those plans is a requirement to consult on a regular basis, to post their directed growth plan once they actually have done that consultation and they've used some of the tools available to them—whether that be early development instruments, census data—to identify areas of need in their neighbourhoods, and they then have to post those plans publicly so they are available and so that operators are able to see where there is going to be prioritization of space creation.

1520

From there, when they are allocated spaces, they go through that process. But across the province, those processes would vary based on the region and the request for bids that they have and the process they have for consultation.

**The Chair (Mr. Tom Rakocevic):** MPP Dixon.

**Ms. Jess Dixon:** Thank you, all. The AG noted that some of the centres are operating below full capacity, and we know from people in the ridings that sometimes they think that means that there isn't a demand for it. But we also know that the reasons are actually a lot more complex than that. What are some of the factors that you are seeing that help explain why that capacity looks different from community to community?

**Mr. Matthew DesRosiers:** I can take that one. Maybe just to help differentiate a couple of terms here, the operating capacity and utilization are slightly different things. A centre might have a licensed capacity, which is, under regulation, how many spaces they are actually allowed

to operate as long as they stay in the terms of the regulation. Let's say they have a room licensed for 15 toddlers—that 15 toddlers is the licensed capacity.

For various reasons, as you alluded to, it may be at a very local level there isn't sufficient demand. It may also be, though, that the operator, due to the local labour market, isn't able to go and find sufficient staff or sufficient qualified staff. So if they're only able to find two staff for that room, then they would only be able to operate with about 10 of those toddler kids.

On top of that, not all the kids may be there all the time, so they might have vacancies due to, again, very local demand issues or maybe because kids are moving in between rooms, so they might only have eight children actually in the seats. So we can see a very big difference between operating and utilization, as well as with their licence.

Through the pandemic, we saw a very significant drop in the utilization rates. Enrolment went significantly down. We have been recovering since the pandemic. The difference between the operating capacity and that utilization rate has been maintained. What's happening is that the operators are starting to operate more rooms and they're starting to get more staff. Part of that can be due to the workforce strategy that has been spoken about, but there are, yes, a lot of potential reasons why.

We also see a really big difference in that between the age groups. The spaces for the very young kids have recovered; it's in that kindergarten space where we see a bigger difference. That could be due to split shifts, where it's harder to go and actually hire staff who want to work those shifts.

Yes, it's lots of reasons. We don't have enough data to know for sure, but it is recovering, which is, I think, promising.

**Ms. Holly Moran:** I think one of the other things that we need to think about is that, as the price goes down, it also becomes less of a loss for a parent not to bring that kindergarten-aged child. If one parent is able to pick them up early from school, they may do that because they are not losing their space. It's only \$10; it's not like it was, \$100, pre-CWELCC. We would have to enter in and correct for some of those types of behaviours.

No child care room, either, is ever fully occupied all of the time. It's not like a school-based cohort where all of the children age up at the same time. Children, as they age and developmentally mature, often are moving between rooms, so a child care operator will necessarily keep some spaces vacant so that those children can transition in a comfortable way: two days in this room, three days in this room and switch the next week, that kind of thing, to help those children move through the programs properly.

As well, those little ones are ill quite frequently. There's a lot of communicable diseases going on. A little bit of pink eye can wipe out a room on you. There you go.

**Ms. Jess Dixon:** Thank you.

**The Chair (Mr. Tom Rakocevic):** Okay. We have one minute and 30 seconds remaining.

MPP Firin.

**MPP Mohamed Firin:** The new financial reporting template is expected to give a clearer picture of how costs actually work on the ground. What benefits do you expect it will bring in terms of supporting consistent oversight and helping identify what drives costs across the regions?

**Mr. Matthew DesRosiers:** Yes, I'll take that one. I think, again, as we were saying, standardizing things is going to be very helpful, especially in this regard. Again, as part of that accountability framework that we've set up, we do have this new standardized financial report. It is going to give us a lot of information. Cost-based funding, which is the new funding approach, is still in its first year, and I think as good public servants we want to make sure that we're continuing to monitor, through that collection of good data, both the financial and the operating data. We want to make sure that we can continue to look at the parameters of that program and make sure that they are still appropriate.

So, in the cost-based funding program, we have benchmark allocations, and they're largely built up of relatively broad categories of costs. We have program staffing, supervisors, operations and accommodation all totalled into a global budget—

**The Chair (Mr. Tom Rakocevic):** Oh, sorry. We're out of time.

We now move on to the third party. MPP Fairclough, you have the floor: 20 minutes.

**Ms. Lee Fairclough:** Thank you all for being here. Deputy Cole, it's good to see you, and I can sense the care for this program that all of you have, actually, in your responses.

I've got a few different topics that I hope to cover, but I am going to start with the cost and the program funding overall. In the most recent announcement about the extension of the federal funding, the government indicated that additional funding was provided to the province in order to maintain the fees at \$19 per day, and this is just for one year. You've talked about the urgency around this.

I guess my first question is, has the province abandoned the goal of \$10-a-day daycare, or is that what we're still working towards?

**Ms. Denise Allyson Cole:** I think it's fair to say that it's an aspirational goal, but we've been very clear to the federal government that if we are going to meet that goal, they need to come to the table with more money.

**Ms. Lee Fairclough:** Okay. I guess, if that's the case—you know, I look at the provincial contribution in figure 10: The federal government is contributing 58% of the \$4.99 billion. If I'm doing my math correctly, the province is contributing to 2.6%, and then there's the shortfall, which presumably is going to land with parents. Has there been, at any time in this, where the province has considered contributing a little bit more to make this more manageable for families? Maybe I'll start with that question, and then I have a follow-up.

**Ms. Holly Moran:** Sure. I'm happy to take that. On the broader funding arrangement and where the shortfall comes from, maybe I can back up just a little bit. I think all of the members are aware that we didn't sign this first

agreement until almost the very end of the first year. So, what that did for the province was take that full year of revenue and push it into the next four years. Effectively, the government was able to make the agreement work, because we were taking five years' worth of revenue and spending it in four, which increases the annual spending power that you have.

The second thing that the government did was amortize our space creation. I'm imagining that you're going to have some questions later about 41,000 out of 86,000 spaces coming on board. The sooner those spaces come on board, the longer have to pay for them. So that funding shortfall was such that we had to amortize those spaces, so the majority of the spaces come on in the last year of the agreement, because that gives you the shortest period of time to spend on them. Those are the two ways that we made the current funding work.

When you renew that agreement, it's a fiscal cliff for both agreements. We both knew, walking in, that there was going to be a \$2-billion-per-year gap to achieve the goals of the agreement—just sustain, no more growth, no more wage increases for our ECEs, nothing else new, just to sustain.

So, when we get there, the other thing I want to talk about in terms of the spending in the space: As Whitney mentioned at the front end, there are currently three federal agreements in this space. There's the ELCC agreement, there's the CWELCC and there's an infrastructure agreement. In addition, there's a significant amount of provincial spending that operates outside of those three programs. So, when you think about early learning and child care at the global or even pan-Canadian level, it's about that zero-to-six space before publicly funded school becomes mandatory for families, and that early learning and what everything does.

**1530**

Our province is one of only three that spends for full, two-year, publicly funded kindergarten for every family who needs it. When you think about that, if those children also required full-day care under CWELCC, as they do in some other provinces, the gap would be significantly larger. So there's a massive provincial contribution there in that space.

The other thing that Ontario does is we prioritize schools first as a setting for child care programs. We continue to build purpose-built child care into every new school in the province, which is a big investment for us.

We've also harmonized our licensing regulations so that those classrooms that the children are in from 9 a.m. until 3 p.m. can be used for the before- and after-school programs as well. All of those physical site requirements are the same.

**Ms. Lee Fairclough:** I understand the argument, which is that you're saying there is a certain amount of this that is funded for junior and senior kindergarten and, currently, you're not using any other federal transfer money for early learning to offset any of those costs. Is that right?

**Ms. Holly Moran:** Exactly, yes.

**Ms. Lee Fairclough:** Okay. And then, in other provinces where they have been able to make the \$10 a day work, can you just talk to me about what you know about why they've been able to achieve that and why we have not been able to? Have you exchanged ideas with them on that?

**Ms. Holly Moran:** I think that was one of the points in the Auditor General's report, to continue to work with the federal government to understand what leads Ontario to be one of the highest-cost provinces and what other provinces have done to be able to make that work. That's an area where we have continued to participate at the federal-provincial-territorial tables to try to understand what is behind it. It's not an area where the federal government has shared a lot of information, and PTs tend to be a little bit hesitant about that as well.

Whitney, I don't know if you have anything to add in that area.

**Ms. Lee Fairclough:** I think it's okay, if that's okay.

I guess my next question, then, is in those other jurisdictions, if they don't have junior and senior kindergarten, are they using this program to cover the year that those kids would be in junior kindergarten?

**Ms. Holly Moran:** Yes. If they don't have full-day kindergarten, this is the program that they would have access to.

**Ms. Lee Fairclough:** Okay. That's interesting, actually. That kind of leads to some other questions.

**Mr. Matthew DesRosiers:** I might just add something as well. While we don't necessarily know the cost details of the private businesses outside of our own jurisdiction in the other provinces and territories, we can see from, say, Statistics Canada data that, prior to CWELCC, fees in Ontario were by far the highest. They were about 30% to 40% above the national average, so we had a lot more distance to go in terms of getting down to the federal targets. That's going to be true for some of the other provinces and territories that haven't reached \$10 a day. They were already higher. So the ones that were closer to \$10 to begin with can use that money for other things that we just don't have the capacity to do here.

**Ms. Holly Moran:** I think the last piece that I would just add is, the federal approach to funding doesn't take into account cost of living in the province. Ontario receives the same dollar per child as Newfoundland, Prince Edward Island and other provinces get, and it disregards that differential in the costs, differential in leases, differential in wages, differential in cost of food—all of those things.

**Ms. Lee Fairclough:** Do they do that because of scale? Recognizing you've got smaller populations in lots of areas in Newfoundland, that's going to cost more as well per kid. So does it kind of balance out when you've got the super-high density that exists in Toronto that gives you some level of efficiency to open those daycares?

**Ms. Holly Moran:** I don't know that it actually creates any efficiency. I think it's a long-standing federal policy across social programs that they demographically allocate the funding. They do a base allocation which would

advantage those where costs are more efficient, and then it's a per capita allocation on top of that.

**Mr. Matthew DesRosiers:** I might just say on top of that too that that makes sense if you're not also setting a target at the end of the day. So if the goal is just to make things cheaper, then there could be an argument that it's fair to do it this way, but if you're trying to say, "But here's the target that everyone has to hit," then you start to have to take into account where we are starting from, and the feds didn't do that for this agreement.

**Ms. Lee Fairclough:** Okay. But you couldn't comment on—proportionately, relative to other provinces, do you think we as a province are contributing our fair share in a similar way to this program? As we said, the total program is \$4.99 billion. In other provinces, my sense is that they are taking on more of a share, recognizing the kindergarten part. But just overall, do you feel Ontario is contributing a similar amount to the goals that we're trying to achieve in this program than other jurisdictions would be?

**Ms. Holly Moran:** My comment would be that Ontario is contributing more when you're looking at the zero to six space. Over the same time period as the current CWELCC agreement—so 2021-22 to 2025-26—Ontario is investing about \$28.5 billion in high-quality early learning and child care. This includes \$18.4 billion in full-day kindergarten for four-year-olds and five-year-olds and \$10.1 billion in provincial early years and child care investments. That includes the Ontario Child Care Tax Credit, which puts more money in the pockets of families, allowing them to claim up to 75% of their eligible child care expenses, including services provided by child care centres, homes and camps. So that total investment of \$28.5 billion over that same period of time significantly exceeds the federal investment in this case.

**Ms. Lee Fairclough:** The majority of that is junior/senior kindergarten, and presumably every province has kindergarten—one year of kindergarten. I think that's what you just said. Anyway, I won't get into the details of the numbers, but I feel like we're putting a lot of weight on the kindergarten investment versus these early year investments and what the provincial government is actually contributing to the earlier years.

**Ms. Holly Moran:** So full-day kindergarten is an early years investment.

**Ms. Lee Fairclough:** Full day, yes.

**The Chair (Mr. Tom Rakocevic):** Under 10 minutes.

**Ms. Lee Fairclough:** Okay. Thank you. I'll move on.

My next question will go to the—actually, I'd like to maybe talk a little bit about the new spaces, how we're allocating where those new spaces go and the steps that we're actually taking to make sure that the access rate in higher-need areas is still met. It's my understanding there was a change in policy to make sure that we tried to hit the targets, but we didn't necessarily consider some of the equity needs as well. Could you just maybe clarify that for us?

**Ms. Holly Moran:** Sure, absolutely. When the agreement was signed in 2022, we did take a look at what the access rates looked like, and I mentioned in response to an

earlier question that we were dealing with quite variant access rates, from as low as 16% in Oxford county to a high of 51%, 52% in York region.

What we did was, we looked at the historic patterns of growth: What does it look like in that area of the province, that region? How quickly have they been able to grow in the past? We looked at socio-economic factors—like how many single-parent families there are, what the francophone population was, what the Indigenous population was, how many low-income caseloads were in that particular region—and we made adjustments to boost for those vulnerabilities within that area. So access was a primary; the secondary was a boost around the vulnerabilities. We left those targets—

**Ms. Lee Fairclough:** But that's been sustained; that hasn't changed.

**Ms. Holly Moran:** The vulnerabilities have been sustained—

**Ms. Lee Fairclough:** If we go back to the francophone access etc., none of that has changed?

**Ms. Holly Moran:** Absolutely. It's all still in place.

**Ms. Lee Fairclough:** Okay.

**Ms. Holly Moran:** At the point in time last—when did we do recalibration? In May?

**Mr. Matthew DesRosiers:** It got updated at the end of 2024, and then we did recalibration in March.

**Ms. Holly Moran:** We recast the targets in March with about a year left to go in the agreement because, at that point in time, we didn't have an interest in leaving any federal money for new spaces on the table. We wanted to make sure that we were capitalizing on capacity to grow. So if you were in a lower-access community and you failed to hit your stretch target, then those spaces were reallocated. We did ask every municipality, every service system manager, "What have you committed? What is available? What is actually real?" at that point, and we gave them those spaces. Where there hadn't been commitments related to space creation against those targets, those were redistributed.

It was a fairly small redistribution in the province, with most receiving what they had asked for. I would say there's still an access problem in the province. We don't have sufficient demand. If you look at the Quebec system, which has been in place for 30 years, demand has levelled out at about 59% for the access rate. Provincially, we're much lower than that. Even in York region, where they have the best access, 50%, it's below 60%. There is still an access problem that is being met through these spaces. I think it was our own Financial Accountability Officer who identified we would have had to have 200,000 more spaces in order to reach the demands of the province.

**Ms. Whitney Wilson:** Maybe I can add on top of that: Before and after recalibration, all of those spaces were still subject to the directed growth plans. So even though the spaces maybe had some additional census data on the front end to make sure that they were targeted to low-access-rate areas, both before and after, they still had to be aligned with those directed growth plans that were targeting those vulnerable populations.

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**Ms. Lee Fairclough:** Okay. And just to really confirm: It's still a principle of the ministry that you're ensuring new spaces are added in the areas of highest need? Need is a major factor?

**Ms. Holly Moran:** Yes.

**Ms. Lee Fairclough:** Yes? Okay. Thank you. So, then, the next thing is really about the vacant spaces. There were some numbers that were included in the report around the 43% that remain vacant, if I've got that right. Let me just bring it up—yes. So 43% of all centres are operating below their licensed capacity of 80%, and 80,500 spaces weren't utilized.

My big question on that is really—I mean, you commented earlier that we used the funds. We only had four years to use the funding we got, and then we used it up a year faster, and then we still had a number—like, 27% of spaces—that weren't utilized in that time. So I'm still trying to understand how we used up the money so quickly, and how we used it up early when we still had so much not being utilized.

**Mr. Matthew DesRosiers:** So again, I think, on the utilization: Part of it is vacancies; part of it is just that the kids aren't there.

**Ms. Lee Fairclough:** We still pay? There is still money given even if those spaces aren't filled?

**Mr. Matthew DesRosiers:** Yes. If you think about the fact—under a cost-based approach, which is how we now fund, if I have to go back to my toddler room and I have 15 licensed spaces, if two kids don't show up, I still have to pay for the staff person to cover the other three kids out of their five. I still have to pay for the rent. I still have to pay for the heat to be on, and the food and all of those things. To stop that, I have to then say to that staff person, "Go home," and now three other kids have to go home and they can't receive the care. So we're still covering the costs that are associated with providing care, but if the space is vacant, the operator is still incurring those costs.

**Ms. Lee Fairclough:** But if we then go back to this whole question of—we know demand is way more than what we have access for. I mean, I hear this in my constituency office all the time, actually. It's a very, very common issue in Etobicoke–Lakeshore. I'm still puzzled how we can't fill those spaces. Maybe somebody can just talk to that.

**Mr. Matthew DesRosiers:** Go ahead, if you want to jump in.

**Ms. Denise Allyson Cole:** Actually, I'll come to you in a minute.

Part of it is the workforce challenge. That is really driving some of the vacancies that we're seeing across the province. The workers just are not there in the numbers that we need. Ontario is the only jurisdiction that has the college, so registered early childhood educators. So that's one of the biggest drivers we're seeing.

**Ms. Holly Moran:** I think you might also remember an article a year or two ago around the YMCA in the GTA who had closed an infant room. This really underlines for me what the issue was with the workforce at the time. An

infant room has a staffing ratio of three to one, so one adult for every three infants in the room. If you have a staffing shortage and you can serve 15 toddlers with two staff or—I can't remember the ratio for preschool, but 26 kindergarten with two staff. They closed that infant room to free up the staff that they had available to serve more children in other rooms. So that can also be part of what was happening as we see those workforce numbers increasing.

**The Chair (Mr. Tom Rakocevic):** Two minutes remaining.

**Mr. Matthew DesRosiers:** The other thing I just want to say, and that I think we sometimes forget: System-wide demand far outpaces supply, but it's not a monolith system delivered by one; it's thousands of businesses in 6,000 sites. In very hyper-local places, these markets, you might not have the demand. A very rural, remote area might not get the same demand, especially for a specific age group.

So yes, it is true that, overall, the demand is very high; it is possible that specific centres just don't have the demand for the spaces that they're licensed for.

**Ms. Lee Fairclough:** But you did say you're allocating based on need, right?

**Ms. Holly Moran:** Yes.

**Ms. Lee Fairclough:** Which presumably would match what you know about that, right?

**Mr. Matthew DesRosiers:** Right.

**Ms. Holly Moran:** There are two things in terms of—if you back the clock up, when we first signed the agreement, what we did was, we wanted stability. So, of those centres that were there based on market trends in the past, all of them were invited to enrol in the system—

**Ms. Lee Fairclough:** Right.

**Ms. Holly Moran:** —and 92% of them said yes. So wherever they were and whoever they were serving, they were enrolled in the system. The growth spaces have been allocated based on that more government-driven need for program vulnerability and access rates in the area. So these municipalities will target those needs—

**Ms. Lee Fairclough:** Those areas.

**Ms. Holly Moran:** —that have been underserved.

**Ms. Lee Fairclough:** What do you think is the best incentive in this whole program to make sure those spots are filled?

**Mr. Matthew DesRosiers:** Yes. There's probably a couple of things—

**Ms. Lee Fairclough:** Because they get paid either way, right, from what I'm hearing?

**Mr. Matthew DesRosiers:** Yes.

**Ms. Lee Fairclough:** That's what I thought—

**Mr. Matthew DesRosiers:** We may have to come back to this and spend a lot more time on it—

**Ms. Lee Fairclough:** Yes.

**Mr. Matthew DesRosiers:** There are a couple. There is the additional workforce strategy to try and get these spaces operating in the first place. There's also a number of things on the growth side. Under the cost-based funding approach, there are growth top-ups that understand that the costs are different in each of the different SSMs and are there to act as a multiplier to create a better incentive for—

**The Chair (Mr. Tom Rakocevic):** Okay, thank you. We're out of time.

**Mr. Matthew DesRosiers:** —places to expand.

**Ms. Lee Fairclough:** We can come back in the next round. Thank you for that.

**The Chair (Mr. Tom Rakocevic):** Okay. We now move to the official opposition. MPP Armstrong, you have 20 minutes.

**Ms. Teresa J. Armstrong:** Thank you very much. Earlier today, a very wise woman said that what gets measured gets managed, and that was the Auditor General who said that. The reason I think that I'm having a lot of questions about this program is because a lot of things weren't measured, to your own admission, right?

My first question is—and I want to thank you, by the way, for the work that you do because I'm sure it's not an easy file to navigate. So, thank you for what you do and what you have done so far.

The report reveals that child care enrolment for lower-income families receiving the subsidies has decreased by 31% compared to 2019, and I just want to ask what the government is doing to address the reasons for this decline and to ensure subsidized families are not being left behind. Can you share what families are reporting with regard to the challenges to accessing the subsidized spaces due to the increased demand for child care?

**Mr. Matthew DesRosiers:** I'll jump in on this one a bit. I think this is one of those areas where gathering additional data is one of the things that we really do need to do. I think there's been a little bit of confusion on this topic, in the press at least. There are many reasons why the pure enrolment number of fee subsidy recipients might have increased, some of which are good. It is an income-tested program where the thresholds haven't changed and so it's possible just that people's incomes are going up and they no longer qualify for the program or qualify for less.

Another part of it is that, as prices have come down, thanks to CWELCC, that income-tested parental contribution that determines eligibility will have become tighter as well. That means less families by the parameters of the program now need a fee subsidy. That's true even though the parental contribution was cut by 50% as well through CWELCC to try and make it easier, so that people on fee subsidy also received the benefit of the CWELCC agreement.

Given prices have come down—I think as the deputy said earlier—it could also be that the incentive to apply isn't as strong anymore, right? Because the fees themselves, without going through all the paperwork—in some ways, invasive, and you have to go and show what your income is—you can just go and pay the lower fee. That's also a good reason. Also, as prices have come down for children aged zero to five, it could be that some SSMs have turned around and said, "Well, now, let's go and support, with more subsidies, the kids who are six to 12 who also need support on their fees."

I think the last reason that I can think of, and which was I believe mentioned in the Auditor General's report, is that as demand has increased, it might just be more difficult in

general for people to get access, and that's why we're seeing much longer wait-lists in some areas.

So lots of potential reasons, and we don't have sufficient data at this point to give a solid answer to that question. Part of that is because we don't deliver the fee subsidies—the SSMs do—we don't have that relationship with the families.

**Ms. Holly Moran:** That might be an area to explore a lot more. In particular, we have heard that wait-lists are burgeoning across the province. We have not heard from our service system managers who manage the fee subsidy program that the wait-list for fee subsidies is burgeoning across the province.

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Durham region, which I was speaking to last week, for example, has shared that they have eliminated their wait-list, so it's—

**Ms. Teresa J. Armstrong:** For subsidies?

**Ms. Holly Moran:** For subsidies. It's an interesting phenomenon to explore as we get into it, but as Matt mentioned, there are obviously lots of reasons that have changed the characteristic of that fee subsidy caseload.

**Ms. Teresa J. Armstrong:** Yes. That's a very interesting topic that needs to be delved into more thoroughly, and making sure for people who need access, who want that subsidy, it's available, etc.

My next question is, how many child care spaces has the government created—and I want to ask about profit versus non-profit, and does the ministry track if those new spaces being created are used for vulnerable and underserved populations?

**Mr. Matthew DesRosiers:** As of June 2025, which is the latest data we have available, as the deputy said earlier, we've created 41,000 net new spaces towards that target. We do track whether they are in for-profit or not-for-profit. I just don't have the number in front of me at the moment.

**Ms. Teresa J. Armstrong:** Is it possible to ask for that information? May I ask for that information following up—

**Ms. Holly Moran:** Whitney is doing that.

**Ms. Whitney Wilson:** I'm pulling it up.

**Ms. Teresa J. Armstrong:** It can be sent later. You don't have to do it now.

**Mr. Matthew DesRosiers:** We do look at that. I think one of the things to remember: We had a baseline of spaces, which was in March 2019. The COVID-19 pandemic obviously had a very significant impact on the sector. The number of centres went down temporarily and has been recovering since the deal was signed.

When open enrolment came around in 2022, we did have that 8% of the sector saying, "We don't want to be a part of this program." That represented about 23,000 or 24,000 spaces. That meant that our 86,000-space target just goes up by that amount, so those will have to be covered as well as part of the growth.

We have been making progress. It was a little bit behind what we had originally planned, but that's because we had

originally planned for everyone to be in the program. We didn't anticipate 8% not being involved.

We do see this recovery, I think, through the recalibration exercise that Holly was mentioning. We have really focused on trying to have spaces grow where there are proponents ready to go, where the SSMs have commitments made or were very close to making commitments, so that we can really maximize the likelihood that we hit that 86,000 target.

**Ms. Teresa J. Armstrong:** I just want to clarify: The information I was asking for is how many new spots or spaces were created that are for-profit versus non-profit, and then, of those, which ones were allocated for subsidy as well, if that's something that you can provide.

**Ms. Whitney Wilson:** I can speak to that. As of our most recent preliminary data, it's 74% not-for-profit of the full system and 26% for-profit. We don't track, within that, who is eligible for fee subsidies.

As Matt mentioned, the program is delivered through service system managers. That is something that, through the new digital tool, we will be able to track more closely, but we don't track it currently.

**Ms. Teresa J. Armstrong:** The next question I had was the government's limitations on creating not-for-profit child care spaces—how does the ministry ensure that new spaces are added in those areas of the highest need? Do you try to help non-profit operators build new spaces? And I say that because there is something in the Auditor General's report about how Ontario has one of the highest costs of child care, and we're trying to figure out what those differentiation variables are. When we look at a for-profit structure compared to a non-profit structure, sometimes there is—maybe the cost of the CEO or the person running the facility, or a bonus at the end of the year.

That's where my question comes from. Do you hear about the limitations that not-for-profits have, and what do you have to encourage them to build more of those spaces?

**Ms. Holly Moran:** I would start off by saying that Ontario, as we all look at what costs the system more, has one of the highest proportions of not-for-profit child care in the country.

We only behind Northwest Territories, Nunavut and Saskatchewan. Just about every other province has a ratio closer to 50-50, and Ontario has been at 70-30 for a trend that's extended past 10 years back. So that's one of the things that we already have. In our agreement, we agreed to maintain that proportion of 70-30, and other provinces are now more restricted in their for-profit growth than we are.

**Ms. Whitney Wilson:** Maybe I'll speak to also support for infrastructure for not-for-profit. One of the agreements that we mentioned earlier was the ELCC infrastructure agreement. The initial agreement that was announced about a year and a half ago was \$135 million. That targets not-for-profit community-based spaces. Those spaces are for space creation, which means that they're also aligned with the directed growth approach.

Signing the extension most recently also enabled us to sign another year of infrastructure funding, which is another \$66.8 million. Those supports go directly to not-for-profit organizations to help them create space, which in some ways was a challenge for not-for-profits who maybe didn't have the same relationships with their bank or access to loans and will help enable some of that space creation.

**Ms. Holly Moran:** And Matt can also speak to the limitations on the funding.

**Mr. Matthew DesRosiers:** The other thing I was going to add, too, was just, again, through the new cost-based funding approach: If we think back to prior to this, for 2022 to 2024, we had a sector where fees had been frozen, which meant that everyone's profit margin or surplus margin—whether you're for-profit or not-for-profit—was also frozen. That put a huge proportion of the sector into a loss position.

**The Chair (Mr. Tom Rakocevic):** Under 10 minutes remaining.

**Mr. Matthew DesRosiers:** That's one of the reasons why we wanted to move to this cost-based approach—which, also, we can get into this more if we want to, but—that provides the same sort of margin in lieu of profit and surplus to not-for-profit versus for-profit. So, it gives the not-for-profit sector a lot more certainty about how much funding they're going to be getting, and that they will be getting a return that they can reinvest in child care as well.

**Ms. Teresa J. Armstrong:** Thank you. In last year's budget, the government estimated they would spend about \$222 million in capital spending on child care. Does that figure ring a bell?

**Ms. Holly Moran:** I think that's capital for the school-based program.

**Ms. Teresa J. Armstrong:** The school-aged? Okay, and—

**Ms. Holly Moran:** School-based, purpose-built child care program. Sorry. I'm the wrong ADM for that one.

**Ms. Teresa J. Armstrong:** Okay. And I have a figure of what was spent. Out of that \$222 million, \$187 million was actually spent. So the government, during their vital years of CWELCC, on the rollout for 2022 and 2023, they didn't spend 80% of its capital allocation. That's what I've got, in so far as numbers. In 2023 and 2024, the government estimated the \$222 million, but you actually spent \$109 million over three years. That left \$156 million unspent on child care capital. I just wondered why that capital wasn't spent, and if that capital was spent, how many more spaces could that money have created?

**Ms. Denise Allyson Cole:** Our ADM of capital is not here today, so is that a question we can get back to you on?

**Ms. Teresa J. Armstrong:** That would be great. Yes, perfect.

Time-check, please?

**The Chair (Mr. Tom Rakocevic):** You have eight minutes left.

**Ms. Teresa J. Armstrong:** Okay. One of the things that we were talking about is wait-lists, and you have a digital company coming on board etc. I ask, because the

government said that it's just been, I think, eight weeks since the report. You're moving rather quickly. I need to understand how the RFP—the request for proposal—was put out, their expertise in this field, and are they using a model like the long-term care? The long-term-care wait-list model for technology and digital performance has been around for quite some time. Are they recreating it? Or can they use that model going forward that's a tried and true method?

**Ms. Whitney Wilson:** Thank you for the question. The new digital tool, and the work towards the new digital tool, has been ongoing for a couple of years now—two years—although it is noted in the report that we are doing work very rapidly on it. We are following Ontario's service design playbook, which requires us to follow certain phasing: pre-discovery, discovery, alpha, beta, live.

The RFP that you're referring to has closed as of November 20, so I am subject to Ontario's directive on procurements. I can't speak to that specifically.

**1600**

But the design work, which I had mentioned earlier, has been informed by, now, almost a year and a half of consultations with the sector, with services to managers, with families. It is encompassing a number of different access points, so families will have public-facing access, service system managers will have access, operators will have access and the ministry will have access. It's a very complex system, but the design work is going through the appropriate phases, as per that playbook, and has been informed by a number of pieces of consultation in design.

**Ms. Teresa J. Armstrong:** I hope it's as successful as the long-term-care one, because sometimes when you create something, there are a lot of bugs.

The other question I had is: What was the cost of that digital contract? And are those costs going to be transferable to operators, or is the ministry going to have that as a separate allocation of spending that you're incurring, as opposed to relaying that back to the operators?

**Ms. Whitney Wilson:** I can't speak to the specific funding because of the procurement directive. No one has been selected, so that's not public-facing information. But it is something that is considered as part of our CWELCC agreement in terms of the funding.

**Ms. Holly Moran:** In our CWELCC agreement, we have a clause that permits us to spend up to 10% of the allocation on ministry administration. We are spending far less than 10% on the new digital system. I think it's probably closer to 1% to 2%.

**Ms. Whitney Wilson:** I can just say also that as part of signing that agreement, we had committed to enhancing our data collection, so this has been something that has been a discussion between ourselves and the federal government as well.

**Ms. Teresa J. Armstrong:** I hope I can squeeze one last question in. I know you guys have secured an extension until December 2026 for the agreement. My question is—the data that the Auditor General mentioned in her report is not going to be available, from your own admission, until 2028-29. How are you going to secure an



extension of an agreement if you don't have the data that you need in order to establish a foundational funding request from this new extension agreement?

**Ms. Denise Allyson Cole:** Just a point of clarification: The extension is March 31, 2027.

**Ms. Teresa J. Armstrong:** Oh, 2027? Okay. Still, we're a year behind in the data piece. So if you're going to start negotiating for March 2027 and you're not getting your data until 2028-29, how is that going to affect your negotiations and what you are going to ask for in funding?

**Ms. Whitney Wilson:** We've been quite creative and supported by our service system managers. The lack of data is across Canada, so it is not unique to Ontario necessarily. We are hoping to have very rich data in the next few years, but as of right now, we do have things like our operator survey. That is an annual survey that collects data. We use that data to inform things like our annual report, which we post publicly. That data has supported us throughout negotiations thus far, including getting that additional \$695 million. But we do hope that the more data we have, the more robust a conversation we can have, both with them and within our own planning discussions.

**Ms. Holly Moran:** In addition, a lot of the data does exist at our service system manager level. We are using them to collect data. I think we do it quarterly at the moment. It would be much preferable to have it in our own hands at source, but at the moment, we're collecting it backward with them.

**Ms. Teresa J. Armstrong:** Is Ontario the only province that has service system managers?

**Ms. Holly Moran:** Yes.

**Ms. Teresa J. Armstrong:** Have you looked at that model, as to whether or not that's effective? Because if other provinces are able to achieve \$10-a-day child care and you're doing it differently, is there an extra cost with differentiation? Is that possible?

**Ms. Holly Moran:** I think in Ontario, certainly the size of our system and the complexity of it dictates that those service system managers are necessary. One of the useful points of data that Matt has come up with: The entire population of children from age zero to five in the province of PEI is equivalent of the population of children age zero to 5 in the neighbourhood of East York in Toronto.

I think there was a choice made years before I started here that municipal administration was going to be more efficient than expanding the size of the Ministry of Education to manage a system that size.

**Ms. Denise Allyson Cole:** If I could just add to that, many of the service system managers in the municipalities deal with other social services as well, so it helps to drive that life-course approach to service delivery.

**Ms. Teresa J. Armstrong:** So that is something that you saw as effective. The other question I had was, do all municipalities have service system managers?

**Ms. Holly Moran:** No.

**Ms. Teresa J. Armstrong:** How are we going to facilitate getting those if we're looking at proper allocation of spaces in the future?

**The Chair (Mr. Tom Rakocevic):** A minute and a half remaining.

**Ms. Holly Moran:** There are 47 service system managers in the province. For upper-tier or single municipalities, those are the consolidated municipal service managers, and any unorganized areas in the north, those are the district social services administration boards. Each of those bodies creates agreements with the municipalities that are underneath that structure. So everyone is represented. They may be represented by their service—they may be the service system manager or they may be represented by the service system manager.

**Ms. Teresa J. Armstrong:** Okay. No further questions.

**The Chair (Mr. Tom Rakocevic):** We move to the final rotation of questions, beginning again with the government side, for 20 minutes, beginning with MPP Darouze.

**MPP George Darouze:** Thank you, Chair. Through you: I know we talked a little bit about the profit and non-profit, but in some parts of the province, we understand most of the available spaces are for-profit operated. Within our ministry, how can we work with the federal rules around not-for-profit and for-profit space creation and still meet our local needs and demand?

I know we did talk about it mostly, but I want from the perspective of our agreement with the federal government.

**Ms. Whitney Wilson:** Yes, absolutely. Maybe I'll say the agreement has evolved a little bit. At the very beginning, we had 70-30 split which, as Holly mentioned, is some of the most restrictive ratios in Canada in terms of the allowances for for-profit or not-for-profit.

Throughout, when we were doing space allocations and recalibration, we did hear that there were some challenges in terms of space creation with respect to auspice constraints, and each of those municipalities with service system managers were given targets for their own auspice. Throughout, we did have conversations with them about what that looks like, whether they needed more flexibility, and through some of our action plans, which are the plans we negotiate with the federal government in terms of our progress and where we're going next, we were able to negotiate a bit of flexibility, so the language changed to "working towards the 70-30 split" in terms of auspice, and that's to ensure that, if we needed to, we could arrange for some flexibility to make sure that space creation happens by the end of 2026.

From there, we continued to talk to municipalities, asked them to come forward if they needed that flexibility, and we've been working with them where it looks like their individual flexibility needed support. Then, from there, when we did negotiate the extension, we were able to change some of the language to redefine how auspice is currently applied within the system. Right now, it's considering the whole system instead of the CWELCC system, which doesn't make a ton of sense because those other spaces are existing outside of CWELCC, and so now we have a little bit more flexibility to work with if we need it.

Right now, the spaces are almost completely allocated to operators in order to be built by the end of 2026. I think we're monitoring the situation, but we have achieved some

flexibility and I think we've struck a really good balance in terms of that space creation and making sure that not-for-profit continues to be prioritized and part of the majority of the system.

**Ms. Holly Moran:** Maybe I can just add that when we started, as we mentioned, we did know that we had regions across the province with higher for-profit and some with much lower for-profit, so in setting their original individualized targets for for-profit versus not-for-profit, we did set them individual targets.

SSMs where 70% to 90% of their spaces were currently not-for-profit were going to be asked to maintain that distribution. Then we had SSMs where less than 70% of their spaces were not-for-profit; they were asked to increase their proportion of not-for-profit by 5%. In the SSMs where 90% or more of their current spaces were not-for-profit, they were given the opportunity to relax that a little bit. So we were trying to create a bit of levelling throughout the province.

Even with that individualized approach, we did see—and I'm sure you've read ministers' letters in the past about regions like the regional municipality of Peel where they were turning away applications for 2,000 more spaces in what's known as a child care desert in the province simply because those applicants had a for-profit status. So they're missing their space targets and turning away applicants who are going to be able to be ready and open to serve families simply because they were for profit.

1610

**MPP George Darouze:** That was my concern as well. Thank you very much for the clarification.

**The Chair (Mr. Tom Rakocevic):** MPP Cooper.

**Mrs. Michelle Cooper:** Family circumstances vary widely, and the way the fee subsidy works can look very different depending on income, local availability and family needs. What kinds of information is the ministry collecting to better understand how families are using the fee subsidy program and how that will support planning going forward?

**Ms. Whitney Wilson:** I think Matt has spoken, too, a little bit, in terms of how fee subsidy access might differ and how those circumstances might change. Fee subsidy will be a priority under the new digital tool. We will be collecting that information. We'll also be really reducing the amount of burden families currently have to go through in order to get fee subsidy at a local level.

Matt had mentioned earlier that one of the deterrents for accessing fee subsidy might be that paper-based process or that additional step in order to get additional fee subsidy. So under the new digital tool, we'll be looking at things like automated income verification—really streamlining that process so that families will have access to fee subsidy if they are entitled. We will be able to more closely monitor that access, that enrolment and the application in order to inform our planning.

**Ms. Holly Moran:** And the paper thing you mentioned?

**Ms. Whitney Wilson:** Yes. I can also say, because we have that system under way but it is going to take us some

time, we have done some early work in terms of a program review of the fee subsidy program. There was a white paper written and shared to service system managers recently that we are now reviewing to determine if any additional policy changes need to be made with respect to the program. That might look like things like the different eligibility criteria; right now, things like reason for care or the need. So we'll be taking a look at that, and that will also inform some of the design of the system as well as, potentially, early changes to the program.

**Mrs. Michelle Cooper:** Thank you.

**The Chair (Mr. Tom Rakocevic):** MPP Rosenberg.

**MPP Bill Rosenberg:** Thank you, Chair and Deputy. Coming from the north and representing 56 small communities, I know affordability pressures look completely different across the province. What are some of the key cost factors the ministry is watching closely as it continues working to maintain stability for families?

**Mr. Matthew DesRosiers:** I think one of the benefits of the new funding approach, which is cost-based, is that we are actually trying to look at all the actual costs that are being incurred. When we were designing that system, we went and gathered a lot of financial data from the sector so that we could do all the statistical work that we needed to basically design the system and come up with the benchmarks that made the most sense and were appropriate.

What we've been able to do is also look at how those costs differ from different parts of the province as well. Once we actually go through and calculate what the sort of provincial-level benchmarks would be, we then apply them to estimated costs that we have from the cost data for each of the operators in each of the regions and can say, "Where are the costs actually different?"

So what we've been able to do is introduce something called geographic adjustment factors in the cost-based funding approach. What that does is it says, instead of thinking about the whole province and all the costs that might occur in Toronto versus somewhere else, let's actually look at what the cost structures look like in each in each area.

We have 13 groups of SSMs across the whole province. Those are largely based on Statistics Canada's economic regions. What we can do is now say, "Let's move a multiplier up or down in the system, where we're going to get about 50% of the licences within each of those regions below those benchmarks and 50% above to try and get a more regional sense of what the actual costs look like."

As we continue to gather new data through the standardized financial report that I spoke about earlier, we're going to start to be able to drill down a little bit as well into whether the parameters we're using are actually appropriate given those costs. So on a program-staffing side, instead of having just the one set of data, we can go and say, "Okay, what are the employers paying? What are the government supports that are included? What are the statutory obligations that they have, like CPP or EI? What are the benefits they're providing?" And we can start to see how appropriate those things continue to be going forward.

**Ms. Holly Moran:** I can also take that from the affordability perspective of the family. So we know that child care fees varied right across the province when we started as well. And if you think backwards to the beginning of the program, the deputy spoke about the first step being a 25% rebate.

The example that I had been using in terms of the most affordable child care in the province at the beginning was actually Manitoulin-Sudbury, where a kindergarten-age child was spending the least amount per day in the entire province, in comparison to an infant in the city of Toronto, where the highest fees were. If you think about that initial 25% rebate, that provided immediate affordability to those families up in the north.

The next step was a 50% reduction in fees at source for the same family from that same originating starting point. And now, as we've introduced a fee cap of \$22 a day, it significantly benefits the parents of that infant in the city of Toronto; it maybe benefits those in Manitoulin, Sudbury and Algoma less because their fees were that much closer to the floor at the beginning. But they're not paying a \$19-a-day average. They're paying less than that, so we do have a significant number of families who are paying less than \$19 a day—

**The Chair (Mr. Tom Rakocevic):** Under 10 minutes remaining.

**MPP Bill Rosenberg:** Thank you very much.

**The Chair (Mr. Tom Rakocevic):** MPP Smith.

**Mr. David Smith:** We've heard from municipalities and operators that a new funding model brought more predictability for many programs. Could you expand a bit on the kind of improvements or stabilization effects you are seeing as the model rolls out?

**Mr. Matthew DesRosiers:** So I can definitely take this one. The design of the new approach—the cost-based funding approach—was really based on sort of three key principles that we had heard through really extensive stakeholder consultation. Those are that it be as simple and easy to administer as possible, that it could be applied consistently across the province, and that it would be representative of how child care is actually delivered in Ontario on the cost associated with doing that.

I think one of the benefits of the way it was designed is also that it provides a lot of transparency and predictability to operators, and I'll give you maybe a couple of examples.

The first is because of the structures of the approach, operators can now know in advance basically what the total eligible costs are that they can go out and incur. And because it's a global budget, it's not a sort of line-by-line approach; they have discretion to manage those costs and run their business while covering those costs.

The other, which I hinted at a little earlier, is around the guaranteed amount in lieu of profit or surplus in respect of those eligible costs. So prior to this cost-based funding approach, when we were doing what was called revenue replacement, we did have a very wide distribution of profit and surplus—both on the not-for-profit side on the for-profit side—averaging about 4% margins, but, like I said,

with a huge chunk, about a third of the sector, in a loss position, which is something that is just not sustainable.

So what we've done under this new approach is have a formulaic approach to their amount in lieu of profit or surplus that gives them a lot of stability and gives them a lot of certainty. There's a flat amount, a flat rate that gets applied, on top of which we add another amount to recognize that there are some risks, as well as a flat amount of \$6,000 to recognize that for small businesses, they typically have more risk, so this amount will mean more to them. And what that does is it provides a narrower distribution. It provides a higher average amount of return—for both the for-profit and not-for-profit—that they can reinvest, but it means that no one is in that loss position anymore.

So a lot more certainty, a lot more transparency, and I think, because of the consistency, we now also see operators who are operating in multiple jurisdictions are basically getting the same kind of treatment from all of the SSMs as they get their funding.

1620

**The Chair (Mr. Tom Rakocevic):** MPP Dixon.

**Ms. Jess Dixon:** As more of the financial information comes in, how are you planning on using that data to keep the funding approach aligned with the actual cost of delivering child care in the different parts of Ontario?

**Mr. Matthew DesRosiers:** This is me again?

Cost-based funding is now in its first year. Obviously, as I said, as we're good public servants, we want to make sure that we monitor and make sure that the parameters that we've put in place, based on the data that we did have, were appropriate, and we're going to continue to do that.

The benchmarks in cost-based funding: Like I said, on the centre side, you've got program staffing, supervisors, operations, accommodations—those all get put into one sort of global budget because we don't know exactly how businesses are going to incur those costs and we give them that flexibility to make sure they can run their business the way they need to. We did gather lots of data. I think, through the standardized financial report, we're going to continue to drill down and really make sure that we understand what's driving those costs in Ontario.

Like I said, on the program staffing side: What are the wages actually paid, what are the supports, what are the obligations, what are the benefits and things that are getting paid, any other staffing costs—that will really allow us to see analyze whether those benchmarks are appropriate, make tweaks if they're not and that's regular.

I think we also want to see what some of the outcomes of the cost accountability measures that have been introduced are going to do as well and see what impact that has on costs, as we try to make sure that there is some standardization where there can be, but there's still enough flexibility in the system to accommodate costs where they're not.

**The Chair (Mr. Tom Rakocevic):** MPP Firin.

**MPP Mohamed Firin:** Ontario is a big province with a lot of different geography. How is the ministry incorporating the realities of urban, rural, suburban and northern

communities into its conversations with municipal partners as planning for space expansion continues?

**Mr. Matthew DesRosiers:** I was starting to answer a little bit of this before. We do have those geographic adjustment factors in place that do recognize the broad impacts that geographic location can have on cost. We can have differing regional rents. You might have different local markets. Electricity costs might be different—food prices etc. So what we're trying to do with those geographic adjustment factors is make sure that that broad geographic impact is accounted for, but the way that the system is set up with benchmarks and top-ups allows for variation within that as well.

The other thing that we have, when it comes to growth at an even more drilled-down level geographically, are these growth top-ups. Again, if you're a new operator, you can see what the benchmark allocation would be, but there's then this multiplier that sits on top of it to give you a little bit of extra funding to go and support that growth. That looks at what the costs are, differentiated by each SSM, so we can see, for example, in the Kitchener-Waterloo-Barrie economic region, that the region of Waterloo typically has more costs than the county of Simcoe, for example. So that allows for an operator trying to decide where they want to set up—they can see that the higher costs that they might incur in Waterloo would be accounted for if they set up there, or if they want to set up in Simcoe, they would get less funding, but they can see that in advance and they know.

**The Chair (Mr. Tom Rakocvic):** Two minutes remaining.

**Ms. Holly Moran:** The other thing I would say is that the CWELCC agreement has entirely upended the market for child care, particularly the directed growth strategy that the ministry put in place.

If you think back to before CWELCC, a child care operator, where margins are not large—people aren't making millions and millions of dollars doing child care—would go to the neighbourhoods where there was sufficient affluence to be able to guarantee that there were markets for those high-priced child care spaces. So the Leslieville and Riverdale neighbourhoods in Toronto, for example, would be very popular places where you would see child care density—lots of families, lots of means to pay.

When we entered the directed growth program, all of a sudden, the money wasn't there in Leslieville; the money was now moved to more different neighbourhoods where child care wasn't typically marketable pre-CWELCC.

So now, as we're funding it with the operating funding and the directed growth strategy comes behind, that shifts both for-profit and not-for-profit programs into those areas where child care has been lacking.

**MPP George Darouze:** What's our time?

**The Chair (Mr. Tom Rakocvic):** You have 40 seconds remaining. Are you still continuing?

**MPP George Darouze:** Okay. We'll move on.

**The Chair (Mr. Tom Rakocvic):** You'll move on? Okay.

*Interjections.*

**Interjection:** I'll save the 40 seconds.

**The Chair (Mr. Tom Rakocvic):** All right, no problem. Okay, we are now moving on to the second and final round for the third party. MPP Fairclough, you have 20 minutes.

**Ms. Lee Fairclough:** Thank you very much, Chair. I just want to go back to a quick question on access and francophones in Ontario. Can you tell me what the current access rate for francophones is in Ontario and the number of spaces relative to the francophone population?

**Ms. Holly Moran:** It will take us a moment to pull that up out of our—it's reported publicly, annually, in our annual report. Whitney is going to be taking a look at that.

I do know, anecdotally, the access rate for francophones tends to exceed the population rate for those children. As we looked at it in the agreement, you'll see in the agreement our term was to maintain or improve our existing access rate, because it does exceed that demographic. In comparison to the anglophone access, the francophone access is better.

It looks like it's a small number; I think it's around 8%. I would have to check. Some 4% of the population identifies French as their first language—I think we had it at about 8%—and our agreement terms say specifically that we should maintain or improve that.

So it's not that we are behind in the francophone. As I said earlier, we have an access problem right across the province, whoever you are, whatever you are. But that, I think, is actually in the annual report.

**Ms. Lee Fairclough:** That's great. What are the measures that you take to ensure that the staff are French-language speaking as well?

**Ms. Whitney Wilson:** Maybe I'll speak to, first, the number of spaces. As of 2023-24, which is the most recent publicly available data we have, it's 38,402.

I can tell you, even though it's not published, that we have seen an increase to that for this year. We haven't publicly posted the number of spaces, but it has increased. And then for bilingual it's 8,291.

There are a number of ways that we support francophone ECEs and recruitment and retention. Our most popular program in terms of recruitment is the qualifications upgrade program. That is a grant program that provides educational, travel and training grants. It does prioritize francophone, First Nations, Métis and Inuit individuals that apply. I think that since the inception of that program, they've provided 29,000 grants.

That is one way to take folks that are already in the sector—they might be director approved—and have them build upon their existing qualifications so that they can become registered. It also helps with their registration of fees. That is one of our francophone-specific programs.

**Ms. Lee Fairclough:** Great. Thank you. I appreciate going back to that.

**Ms. Holly Moran:** I can add a little bit onto that.

**Ms. Lee Fairclough:** Sure.

**Ms. Holly Moran:** The question was, how do we ensure that the educators that are serving the families are francophone?

Each one of the SSMs is required to have a French-language services plan as well, under the terms of our transfer payment agreements with them. In those French-language services plans, we measure their capacity to serve the francophone population in their area, and if they're under capacity, they have to have measures to improve.

The other thing that we do to support those programs is—we understand there is a shortage of ECEs in the province. In particular in areas where cultural or language preferences are really part of the essential fabric of the program, we have what's called a director approval. If the person doesn't have an ECE degree, they can have essential qualifications that fit with the fabric of the program and they have qualifications in other areas. Maybe they're an OCT; maybe they're something else. They can be director approved. We do see a higher proportion of director approvals in francophone or cultural programs because of the fabric issues in those programs.

So you will see that in the auditor's report, in terms of a conversation about director approvals. Director's approvals are also categorized under our regulation as qualified staff.

As Whitney mentioned, we are at 66% over the target in the agreement when you include those other qualified staff.

**Ms. Lee Fairclough:** That's great, thank you. I will come back to some of those workforce issues.

I wanted to ask, again, about the deal that was negotiated; it was a one-year deal. I'm also interested—you know, there was a choice made to go very public about the fact that there was no deal about a week before the federal election. Parents all received notifications, and it was a very public display of the fact that we didn't have a deal in place going ahead.

1630

I wanted to ask: Was that the advice given to the minister by the bureaucracy, that that was the best strategy? What other advice had you been given about getting to a multi-year agreement with the federal government? It just felt like interesting timing, and it put a lot of parents on edge. As you've said, we had more than a year to still negotiate that. I'm curious if there was any other advice given to the minister at that time.

**Ms. Denise Allyson Cole:** I'm sure you'll appreciate that I can't say publicly all the advice the ministry gives the minister. What I can say is that in our conversations with the minister early on, when he was appointed to the portfolio, we did engage in conversations around the fact that, unlike other jurisdictions, we would need to reach an agreement sooner rather than later, because we're the only jurisdiction where our funding ends December 31 with what we need to flow to the municipality.

We also have a regulation—and Holly can correct me here if I get all the details—that requires us to communicate and set the rate in regulation publicly as well. So we were very conscious of the clock ticking. The minister is the kind of person that believes that parents should have certainty and that parents should have some predictability.

You asked a question early on about the \$10 a day, and the reality is, given where things are right now—as I said earlier, it's an aspirational goal and it's going to be a stretch for us to get there. I can't speak for the minister, but I think it's fair to say that it was around giving parents some transparency and certainty, and giving operators some transparency and certainty as well.

We also had been asking at that point in time for the federal government, that we really need to get to the table.

**Ms. Lee Fairclough:** Okay. I just thought it was curious timing. We were a jurisdiction that was almost a year later than most in signing, and then we used our funds up faster than other jurisdictions as well.

**Ms. Denise Allyson Cole:** None of that was a surprise for the federal government. We talk to them just about every single day, it feels like that—

**Ms. Holly Moran:** [*Inaudible*] negotiations of the original agreement, in terms of how far the funding would go in Ontario and what our plan was. We had to negotiate the action plan; the action plan was quite clear about what would happen in year four, in year five and in year six as renewal.

**Ms. Lee Fairclough:** My next question really builds off the comment that was made about how you had the allocations in Peel—a real area of need. Mostly, providers weren't interested because, from their perspective, it wasn't paying enough. I was a little frustrated with the answer, which is: We used to have a 70-30 split on the not-for-profit versus for-profit. To me, this is wise use of taxpayer money and programs like this, and the reaction has been to say, "We need to renegotiate this to make this viable for private providers."

Some of you may know that I've worked in health care all my life, and I've seen the same trend in health care, where we'll pay public hospitals a certain rate and then we'll pay private pharmacies, private clinics higher rates because it's the only way they'll do it. But yet we still expect our publicly funded, not-for-profit entities to be able to make this work.

I kind of wanted to just come back to that issue: How do you really get to a system that is making the best use of public dollars? One might argue that this isn't necessarily the place for lots of profits. How are you balancing this as you're developing out the funding formula etc. that you're using? Because if I heard correctly, it's like, "We needed to adjust because the private providers needed more money."

**Ms. Holly Moran:** No, no, no.

*Interjections.*

**Ms. Lee Fairclough:** No?

**Ms. Holly Moran:** Not at all. A unanimous no. I would say, the funding—

**Ms. Lee Fairclough:** That was like, "Lee, no."

**Ms. Holly Moran:** Are we on the record? Did we say, "No"?

The funding formula actually is agnostic in terms of whether you're for-profit or not-for-profit. It's based on the operating capacity and the operational features of your program.

**Ms. Lee Fairclough:** So you haven't raised the rates to make it more palatable for private providers to be part of this program?

**Ms. Holly Moran:** No, no, no; not at all.

**Ms. Lee Fairclough:** Is that true?

**Ms. Holly Moran:** Absolutely true.

**Ms. Denise Allyson Cole:** We're agnostic.

**The Chair (Mr. Tom Rakocevic):** Ten minutes remaining.

**Ms. Lee Fairclough:** Have the rates gone up, though, because of that issue?

**Ms. Holly Moran:** The rates of?

**Ms. Lee Fairclough:** The rates that we're actually providing to these daycares to participate in the program.

**Ms. Holly Moran:** The funding increases as—you know, you can go ahead and take this. The funding increases as the costs—I can't think of the name of it—increase as well, but it's agnostic in terms of whether you're for-profit or not-for-profit.

**Mr. Matthew DesRosiers:** That's right. So if the question is, have the average rates provided for both not-for-profits and for-profits increased under the system relative to 2022, when they were largely artificially low, as many operators we know had held their fees low to help families through the pandemic—but yes. The average rate we anticipate will be higher, but not by—it will be a few percentage points higher, and it will be now at around 8% versus at 4%. But one thing that we saw in the data was, prior to the cost-based funding, the distribution of margins was the same; the average was the same. So they were already no differences there. We've maintained that.

So there is no bonus for a for-profit operator in this versus a not-for-profit is what my colleagues are saying.

**Ms. Lee Fairclough:** Okay.

**Ms. Whitney Wilson:** Maybe I can clarify, though, in terms of the auspice and how that flexibility was applied. I think you can imagine that in a four-year program, there are a lot of things coming online for the sector at once. One of those things was the infrastructure funding that was announced in 2023 from the federal government, but it didn't quite get to us—and, therefore, the SSMs—for almost a year and a half later.

Around that time where we were asking questions about the need for flexibility and the ability to meet targets, we hadn't fully funded—or flowed out—a lot of the infrastructure funding, and that seems to have supported the not-for-profit sector in terms of their ability to create space and grow. But it's really more about making sure that we're able to balance the need to create the space targets that are built into the agreement and the capacity of the sector to actually meet those growth targets and build.

So that's the flexibility. We didn't take Peel up on the need for that flexibility, but because that was happening around the same time, we needed to account for both things.

**Ms. Denise Allyson Cole:** If I may, as I said, we are agnostic on the profit versus non-profit, but I think it's important to point out that the majority of the for-profit sector in Ontario are small operators, and I think 96% of

the for-profit market has only one or two sites. So we're not talking huge corporations.

**Ms. Holly Moran:** Generally, female-owned small business.

**Ms. Denise Allyson Cole:** Yes, female-owned small businesses.

**Ms. Lee Fairclough:** Okay, thank you. I'm happy to hear these answers, so it's important to me that we use taxpayer money to buy a service, and I don't think there should be differences regardless.

**Ms. Denise Allyson Cole:** Sorry, the other thing is—because we've had this conversation as we've chatted with the federal government—Ontario, as well, is the only jurisdiction to have the regulated child care workers. So when you look at the qualifications, whether it's not-for-profit or for-profit in Ontario, we have a pretty high standard.

**Ms. Holly Moran:** We have one of the highest standards in the country. I think we were in PEI together when the Alberta government stated that their ECEs are qualified with four months of post-secondary education and ours have two years. Minister Dunlop's head snapped around at one point.

**Ms. Lee Fairclough:** I'm going to move on because I think I've got six minutes. I just want—

**Ms. Denise Allyson Cole:** Sorry.

**Ms. Lee Fairclough:** No, no; that's great. I'm very glad we explored all of that.

So as of October 2024, 47% of the SSMs are using a privately owned digital system called One Human Service Network—is that true?—to provide a central platform for parents to search for available child care spaces. Does the ministry encourage SSMs to use this system?

**Ms. Holly Moran:** No.

**Ms. Lee Fairclough:** No? And Toronto is one of the biggest cities in the province where they're not using this system. So you've not asked them to use that system.

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**Ms. Whitney Wilson:** No, we don't direct them on how to maintain wait-lists, and many don't maintain a central wait-list for an SSM at all.

**Ms. Lee Fairclough:** Okay, that was actually my next question. Do you give any kinds of directives or guidelines to them on how best to manage wait-lists and streamline application processes?

**Ms. Whitney Wilson:** No. It's very much directed by the service system manager. Some of them decide to use independent platforms to manage a central wait-list and require that. Some do not have them at all. Some of them only allow it for some operators. It varies greatly across the province.

**Ms. Holly Moran:** Within our funding guidelines, however—

**Ms. Lee Fairclough:** Can I ask a quick question, though, just on the system? Because I think the Auditor General has indicated that the ministry is actually working on developing a website and it's supposed to be completed by 2029, with implementation in 2027.

Why is the ministry developing their own system, then, when more than half are already using that other online system? Are there going to be many more benefits of that new system rather than using the existing?

**Ms. Whitney Wilson:** Yes, absolutely. The digital tool—the implementation begins in 2026 for public-facing, but the ability to search and apply and the wait-list functionality would be 2027. The difference is that right now, we don't have a centralization of wait-lists. We have some regions where each individual operator maintains their wait-list. In some areas, they have a OneHSN-type system. They use it differently, and there's nothing consistent across the province.

When we did our initial phases of discovery, we did hear from families that it's a very confusing system to navigate. You can imagine that if you're on the border of an SSM, you're going to be dealing with one huge system or you're also going to be looking at different operators and their own individual lists. One of the things that we heard was that there was a need to simplify the navigation process.

The flip side to that is that we need to be able to collect data consistently. Each of those systems, each of their processes, individually collect different information and look at different factors. We have no way to understand unique demand across the province as a result.

**Ms. Lee Fairclough:** What will be the cost? Do you have a dollar amount that will go into that system, unlike the business case of just using something that—

**Ms. Whitney Wilson:** Unfortunately, because we're subject to the procurement directive and the RFP just closed, I can't share more about the cost yet.

**Ms. Lee Fairclough:** Okay—for a follow-up.

**Ms. Holly Moran:** What I would add about the prioritization of wait-lists: We don't give them direction in terms of which system to use, but we do include in our funding guidelines direction around which populations within that list of fee subsidy applicants they might want to prioritize. For example, women fleeing gender-based violence, the caseloads for Ontario Works and Ontario Disability Support and referrals from children's aid societies are the list of folks who can be prioritized within that existing fee subsidy wait-list.

**Ms. Lee Fairclough:** Okay, that's great. How am I doing?  
*Interjection.*

**Ms. Lee Fairclough:** I've got two more minutes. All right.

I was going to ask about the RECEs. Maybe I will just ask this one question because we've had some discussion. The RECEs are supposed to be held accountable by a professional college. Who holds the director-appointed employees accountable?

**Ms. Holly Moran:** Maybe I can ask Karen to take this one, in terms of the process for approving—

**Ms. Lee Fairclough:** Because there's quite a number right now in Ontario until we can train—yes.

**Ms. Karen Puhlmann:** Hi, I'm Karen Puhlmann. I'm the director of the child care branch.

Staff that can be considered qualified under the ministry's regulation are typically RECEs, as you've noted, but they could also be, for older age groups, people that have other education credentials: part of the Ontario College of Teachers and those kinds of things.

But they can also be approved by a ministry director. When I say a ministry director, I mean one of our regional managers that is out across the province that is licensing managers. Really, director approvals provide child care programs the opportunity to operate in situations where they have been unable to do so. This might be because of emergency absences, if there is a short-term absence because of a parental leave or something like that. They might have specialized program needs like Holly spoke about. There are also things like a shortage of qualified staff. So in terms of the oversight, when we approve those folks, we—

**Ms. Lee Fairclough:** My question is who the oversight—sorry to jump in.

**Ms. Karen Puhlmann:** The oversight? Sure.

**Ms. Lee Fairclough:** The oversight for the people making the decision to appoint them.

**Ms. Holly Moran:** They're ministry staff.

**Ms. Lee Fairclough:** Right? As I understand it, the directed, appointed employees—somebody makes that choice. Who's overseeing them to ensure we've got consistent quality?

**Ms. Denise Allyson Cole:** At the end of the day, it's my neck on the platter.

**Ms. Lee Fairclough:** It's what, sorry?

**Ms. Denise Allyson Cole:** It's my neck on the platter.

**Ms. Lee Fairclough:** Oh, it's yours. Okay.

**Ms. Denise Allyson Cole:** They're ministry employees.

**Ms. Lee Fairclough:** They're ministry employees. Okay.

**Ms. Karen Puhlmann:** Yes. But there is a comprehensive process that we go through in order to make the decisions. We look at registries to ensure that they haven't had any offences or anything, or any issues with the Child Care and Early Years Act. We look at their educational credentials. We look at—

**The Chair (Mr. Tom Rakocvic):** Thank you. We're at time.

We now move to the second and final round for the official opposition. MPP Armstrong, you have 20 minutes.

**Ms. Teresa J. Armstrong:** Thank you. Ontario is one of only two provinces that haven't committed to implementing a wage grid for child care workers, instead opting for a wage floor. This was criticized at the time of its implementation for being inadequate for attracting and retaining staff needed to meet the CWELCC expansion goals.

Now that the Auditor General has reported an estimate that the province needs about an additional 10,000 RECEs by 2026—1,500 more RECEs than the province estimated

when the program began in 2022—will the government commit to implementing a wage grid system that would standardize and increase wages for child care workers based on their qualifications and experience? Noting that we are not a highly paid—we're not one of the ones that are paying our workers the highest nationally.

**Ms. Whitney Wilson:** Sure. Maybe I'll just clarify a few pieces in there. The 10,000 number that is quoted by the Auditor General is just RECEs. Right now, that does not reflect the current complement of our staff in Ontario. As mentioned before, we do have qualified staff, RECEs and director-approved.

If you look at the 10,000 staff needed for RECEs, I think that's not a number that really matches the need in the province in order to staff the spaces that we have. If you look at the minimum requirements and the current complement of ECEs and director-approved, we actually do not need more staff. However, because we usually staff above minimum requirements for things like vacation and breaks and stuff like that, the number needed is actually only 4,500.

After the implementation of the workforce strategy, we have seen significant increases in terms of ECE college diploma program applicants and enrollees—I think that's up 25%—and applicants for registration with the college are now up 32%. So, in fact, I think we have a much smaller workforce gap and trends that are showing a really positive increase towards meeting that gap.

I apologize. There was a first part of your question that—

**Ms. Denise Allyson Cole:** I can take that.

I can't speak on behalf of the government in terms of what future direction the government may or may not take, but we do continue to look at the compensation in the sector and, as I indicated earlier, it will be going up again January 1.

**Ms. Whitney Wilson:** Maybe if I can just add one more thing to that: Since the introduction of the workforce strategy, as of the end of 2024, the number of full-time program staff RECEs earning below \$20 has been reduced by 99%. So one third of program staff RECEs in full-time programs were earning less than \$20 before the workforce strategy, and that has essentially been eliminated with that.

**Ms. Teresa J. Armstrong:** I do appreciate that change to the compensation. We did push for that quite a bit.

The wage floor for RECEs is set by the Ontario government. As you mentioned, it was \$24.86 and it's going to be increasing, you had mentioned—was it March or January?

**Ms. Denise Allyson Cole:** January.

**Ms. Teresa J. Armstrong:** —in January to \$25.86, but the estimated hourly living wage necessary for the GTA in 2025 is \$27.20. How does the wage floor ensure that RECE jobs are well-paying when it does not even cover the basic needs of our most populated region? And does the wage floor attract or retain staff?

I'll add to that, because I know that RECEs, when they get into the field, actually leave quite quickly afterwards,

so retention is a big issue. I just wanted to get some clarification on the fact that the basic needs in this area are \$27.20 for a living wage in the GTA and how the wage floor doesn't really meet that. How do you compare that to attracting and retaining RECEs going forward for the number we need?

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**Ms. Holly Moran:** Maybe I can start answering that question and then I can turn to Whitney for the other components of the workforce strategy.

The wages that were settled on in the workforce strategy—the sector had long called on us to make parity with the wages for the RECEs who are working in full-day kindergarten classrooms and whose wages are set through collective bargaining with the school boards that they're employed by.

What this second generation of the workforce strategy did was put those starting wages on par with the collectively bargained employees employed by our school boards in the RECE category of the full-day kindergarten classroom. So that also served to stem some of that retention because what child care programs were finding was that the natural exit opportunity for them was to go into the full-day kindergarten classroom with a more manageable workday and a better wage. So, by setting the wage floor the same, we've at least taken a bit of a crack on one of the drains in the system, which was within our own control as well. I think the province is one of the biggest employers of RECEs, either in school boards or in child care as we go.

Many of these programs in child care earn in excess of that wage floor because they're collectively bargained. We have a few municipalities who directly operate, and they pay their RECEs much above that wage floor because of the collective bargaining that's been going on there. It is a wage floor; it's not a wage average. I think the average for the wage-floor RECEs in the sector is much higher than that, but when you can speak to the other components of the program, there may be some of those spaces as well.

**Ms. Whitney Wilson:** Yes, absolutely. In 2023, we did do some extensive consultations before we implemented and developed a workforce strategy to make sure that it was informed by the sector. I think we consulted with 61 stakeholder groups to get a sense of what was needed in order to recruit and retain within the sector. From that, we heard a suite of things, and we wanted to ensure that there was a strategy that responded to that suite of requests, not just wages.

We did hear that there was an important emphasis on recruitment but that we had to fix kind of the leaky bucket that you mentioned in order to make sure the sector remained stable. From that, we did develop a workforce strategy. It had a five-point plan that focused on better wages and working conditions, so that was bringing the floor up, aligning it with kindergarten, as well as implementing and maintaining the professional development day that is intended to ensure that there was ongoing pro-



professional development for RECEs, as well as other program stuff. There was significant investment in support for career laddering and entry into the profession. I had mentioned earlier the qualifications upgrade program, so really enhancing the base funding there to ensure that more folks were getting grants to go and upgrade their credentials.

We also expanded the ECE programs for private career colleges and opened that up. There was a significant investment in an innovation fund. That was to make sure that there were locally driven decisions made about how to recruit and retain staff on the ground in services to managers. There was continued support for the dual credits program. That is a high school credit program that attracts high school students into some of these careers. I believe there was an additional 180 students added to that program in 2023-24.

There were some employer-centred reforms to ensure that staff were really in the positions needed most and some of the youngest folks had the RECEs where they needed them, and building the profile of the RECE profession—so we initially intended a more province-wide campaign that since has been broken down so that there are locally driven promo campaigns to recruit and retain staff within the regions.

We continue to participate in federal, provincial and territorial engagement tables on workforce strategies. We recently lead one on interprovincial and territorial mobility and foreign credential recognition.

And then, on top of that, we continue to do monitoring and assessment of the strategy. It has been actually only a short time since the strategy has been introduced. We are seeing, as I mentioned, significant impact, so reducing the lowest wage earners by almost 99%. But as these things come through and as they develop more, things like higher applications to the college, things like higher applications to the ECE programs—all of those will continue to come to fruition and we'll continue to monitor their impacts on the sector.

**Ms. Teresa J. Armstrong:** I also introduced a bill which didn't pass through Legislature for committee. But one of the things that you mentioned was that there was a promotional campaign in that workforce strategy. Can you provide an example of what promotional items the government produced for their awareness campaign and how much the government spent on the promotional campaign? I ask that because I don't recall seeing any, so it would be interesting to find out that information.

**The Chair (Mr. Tom Rakocevic):** Under 10 minutes remaining.

**Ms. Whitney Wilson:** The promotional campaign funding went directly to service system managers so that they could develop local promotional campaigns. That was part of their most recent allocation. The workforce strategy is staggered in terms of—I think we heard from service system managers that they had a lot on their plate

in terms of implementation. So this is still something that is in development.

One of the considerations for that was that there was a national campaign being developed at the time as well, so we really wanted something to complement at a local level in terms of what the needs were. As we mentioned before, some of those needs might be francophone ECEs. Others might need Indigenous or First Nations ECEs. Because of that, we went to a more local level, and so those will still be produced over the next year.

**Ms. Teresa J. Armstrong:** Thank you. I seem to recall that there was a couple of—in the first presentation, you said that there was going to be a new initiative to provide funding for promotional to SSMS. Is that the same initiative that you're talking—

**Ms. Whitney Wilson:** Yes, it is.

**Ms. Teresa J. Armstrong:** So it's not a new initiative. It's the same initiative as in 2023?

**Ms. Whitney Wilson:** It's the initiative under the workforce strategy.

**Ms. Teresa J. Armstrong:** It's not a new initiative, though. It's the same one as in 2023.

**Ms. Whitney Wilson:** The commitment was made in 2023. The funding was rolled out in the most recent allocation.

**Ms. Teresa J. Armstrong:** Oh gosh, so it hasn't—okay. All right. Then I also want to ask if you can explain what methods the government used to track and monitor the RECE recruitment and retention, and what were your findings.

**Ms. Whitney Wilson:** Sure. So we do have an integrated measurement framework. There are a number of factors and pieces that feed into that. We do collect data through the college of ECEs, things like the number of recent registrations, the number of retirements. We collect data through the colleges: the number of enrollees in ECE programs, the number of graduates. We track through our operator survey the number of staff in the sector. All of those things come together to create a picture of where there are impacts.

As we've mentioned, there's a desire to have more data, and as a future enhancement of the new digital tool, we would definitely like to build in more workforce data monitoring. But as of right now, those are really the inputs we have in order to track that progress.

**Ms. Teresa J. Armstrong:** With your new digital tool, do you have any new measures you might be considering in order to enhance the workforce committee in 2023? You've said you consulted with 61 stakeholders. I'm assuming you consulted with students and populations that—maybe high school students. Did you actually talk to people who would be entering into those or considering doing that? Or was it at more of a high level, about stakeholders and the workforce, as opposed to going into high schools and saying, "Hey, this is an option, would you consider that?" Was there any of that kind of information collected?

**Ms. Whitney Wilson:** We didn't speak to high school students. We spoke to a number of stakeholders. There's—

**Ms. Teresa J. Armstrong:** Counsellors at high schools? No?

**Ms. Whitney Wilson:** I don't believe so.

**Ms. Teresa J. Armstrong:** I'm just trying to think—

**Ms. Whitney Wilson:** We do have other divisions, though, that track things like dual credit interest, that fed into some of that work. But in terms of the consultations, we spoke mostly to the college, the ECEs. They hear on-the-ground information quite regularly in terms of people that are interested in the profession, people that are coming from other provinces and even internationally to the college. We engage with child care associations as well as those representing different interest groups, francophone groups. I would have to get the full list of associations; it was quite extensive in 2023.

**Ms. Teresa J. Armstrong:** Do you think your strategy is working?

**Ms. Whitney Wilson:** Do you want to answer first?

**Ms. Holly Moran:** I was just going to say, the Association of Early Childhood Educators Ontario was a key consultant to the network for a strategy development, and many of those—they represent that constituency of folks who have gone through for the RAC career, and they have that journey experience that informed the strategy. So I would say, in terms of getting people who are looking at this as a career profession and interested in what helped them and what didn't, those were all consultations that we had.

Go ahead.

**Ms. Whitney Wilson:** I think we are seeing positive trends that it is working—as I mentioned, more attraction to the ECE programs and more registrations with the college. We are hearing, anecdotally, a lot of interest in the sector. Our QUP program, as I mentioned, has seen surging numbers. They have to, essentially, close their doors to say they're at capacity. This is why I think it's very important to us that, as we going into future negotiations, we continue to have conversations with the federal government about additional investments to support the workforce.

**Ms. Teresa J. Armstrong:** I'm running out of time a little bit and I just want to maybe ask: There was quite the tragedy in September where somebody had a collision with a vehicle through a child care centre in Richmond Hill, and I understand there has been an announcement of \$20 million that the government is committing. The reason I raised that is because when the incident happened, of course people want action on that so that those things can be prevented, absolutely. But it left a lot of operators questioning where the money is coming from for these measures that are going to be implemented. So that \$20 million: Again, is that something that the provincial government is contributing to implementing those infrastructure pieces to avoid any further fatalities?

**Ms. Denise Allyson Cole:** I'm just very conscious of the time, and that question, I think, is out of scope from the auditor's reporting recommendations.

**Ms. Teresa J. Armstrong:** Okay. I'll send you a note and maybe ask that question.

**Ms. Denise Allyson Cole:** Okay.

**Ms. Teresa J. Armstrong:** And then, just out of time, what are we looking at?

**The Chair (Mr. Tom Rakocevic):** Three and a half minutes.

**Ms. Holly Moran:** I think that one thing I wanted to add in terms of "Do we know whether the workforce strategy is working or not" is that we also are seeing that operating capacity in the centres increasing. You can only open those rooms if you've got the staff for them, and RECEs are an essential part of each and every one of those rooms. So if we're seeing operating capacity increase, we know that strategy is actually starting to retain more workers.

**Ms. Teresa J. Armstrong:** Great. If we're on the workforce strategy, the composition of your advisory committee, what does that look like? What are some of the people sitting at the table for that? And is that workforce strategy like a public document that people can find a report as to how successful it is? Not that I'm questioning your word on the success of it, but it's always good, if you have an advisory committee, making it something publicly reported, where people can see how it's working. That's why I brought my bill forward, because I thought my bill was way better, with stronger metrics. Is that something that's publicly available?

**Ms. Whitney Wilson:** The five-point plan was published publicly. The reporting that we do across child care is in our annual report. The elements of that are all listed within there, the increases to QUP—that is publicly reported on. It is not publicly reported on separately, though.

**Ms. Holly Moran:** You asked as well about the workforce strategy, the minister's advisory committee that went into that. I do have a full list of members. I can use up all your time doing that, if you would like, or we could—

**The Chair (Mr. Tom Rakocevic):** Two minutes remaining.

**Ms. Teresa J. Armstrong:** Does the advisory committee still continue to meet? Is it still an ongoing—

**Ms. Holly Moran:** It has not had a recent meeting. It was struck originally for the implementation of the new funding formula and the development of the workforce strategy. It hasn't been formally disbanded; it hasn't been reconstructed; it hasn't been anything. It's there. It hasn't met for a bit since those two big pieces were rolled out. Do you want me to go through the membership?

**Ms. Teresa J. Armstrong:** No. I wouldn't mind a list of that. That would be great.

Are there plans to continually meet with the workforce? Because if it's a huge piece, we can build all the spaces we want—and we know some of them weren't being utilized for different reasons, as we know—but if we don't have

the people delivering that service, it's not going to work. So are there plans to strengthen that workforce advisory to continue its work, and also then report to the minister maybe quarterly? I had suggested that in my bill, where there is actually reporting to the ministry quarterly so that things can be improved. It happens on an ongoing basis, not a couple of years down the road, as we see with some of the Auditor General's recommendations about information gathering etc.

**Ms. Holly Moran:** I do meet much more frequently than quarterly with many of our stakeholders, including the association for early childhood educators. Carolyn Ferns has a standing appointment in my calendar and knows that operators are standing by to take her call, if I could say it that way.

We also meet with many of our large multi-site not-for-profits. There's an organization called the Quality Early Learning Network, made up of most every multi-site not-

for-profit organization providing child care in the province. Those are also key advisers for us in the ministry.

In terms of the minister's advisory committee, again, to take the deputy's point, I can't speak for the minister in terms of when he might want to call that group together again for further advice as we go forward. At the moment, we'll be happy to have our one-year extension, working very hard to make that a longer-term commitment with our federal colleagues.

**The Chair (Mr. Tom Rakocevic):** Thank you. We're at time.

I want to thank everyone that has appeared before the committee today. Thank you very much for answering our questions, but we are now at time. Thank you very much.

We will now pause briefly as we go into closed session so that the committee may commence report-writing.

*The committee recessed at 1706 and later continued in closed session.*

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