

## Ontario's New Child Care Funding Framework and Funding Formula

Today, the Ministry of Education provided information to Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) about Ontario's new funding formula and funding framework for child care which will take effect in 2013. The funding allocations for 2013 were also announced. The new funding allocations include incremental increase to the child care system announced in the 2012 budget.

As part of Ontario's Modernizing Child Care initiative, the Province undertook to update the funding framework and formula. The Ministry is moving from a method of historical based allocations to a live, responsive model informed by evidence and the experience of CMSMs/DSSABs. The Ministry convened a table of municipal representatives from AMO and the City of Toronto to provide technical advice on the development of the new, revised funding formula and framework.

In keeping with the principles of the Provincial-Municipal Fiscal Service Delivery Review agreement (PMFSDR), the new funding framework is not designed to increase costs or transfer financial risk to the municipal sector. According to the Ministry, the changes do not alter the current cost-share arrangements between the province and CMSMs/DSSABs. Municipal cost-share contributions are held, or reduced, at 2012 levels. The new funding formula and framework is intended to provide greater local flexibility, simplify reporting requirements and ease the administrative burden for CMSMs/DSSABs.

The introduction of the new formula, however, will result in a re-distribution of funding across the province. Some CMSMs/DSSABs will see increases and others will receive reductions in their annual funding allocations. The specific impacts of the allocation reductions to specific CMSMs/DSSABs on service levels are not yet fully known. The province has, however, committed to mitigation strategies to minimize the re-distributive impacts. As a result, there will be no decreases to the annual allocations for any CMSMs/DSSABs in 2013. Further, \$50 million in migration funding is available on a multi-year basis to any CMSMs/DSSABs to transition to a reduced funding allocation.

AMO will continue to monitor the impact of the new changes. The current child care system is still underfunded, especially in the absence of federal engagement. AMO continues to

advocate for sustained provincial and federal funding to stabilize the system in the short term. Over the long term, Ontario's residents need expanded access to affordable, high quality child care. A copy of AMO's submission to the provincial government concerning funding and the broader directions for the provincial Child Care Modernization initiative is found on the social services section of AMO's website at:

[http://www.amo.on.ca/wcm/AMO/AMO\\_/AMOAdvocacy.aspx?issue=Social%20Services](http://www.amo.on.ca/wcm/AMO/AMO_/AMOAdvocacy.aspx?issue=Social%20Services)

For more information on the changes in the new child care funding framework and formula, including the 2013 funding allocations to specific CMSMs/DSSABs, please see the Ontario Ministry of Education website at: [http://faab.edu.gov.on.ca/CCMemos\\_2012.htm](http://faab.edu.gov.on.ca/CCMemos_2012.htm)

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