December 18, 2012

RE: Transitioning to Ontario’s New Child Care Funding Formula and Funding Framework

Dear Municipal Partners,

I am pleased to announce that the Government of Ontario is taking the next steps to help transition and modernize the child care sector.

As you may know, the government released the discussion paper Modernizing Child Care in Ontario: Sharing Conversations, Strengthening Partnerships, Working Together in June 2012 to seek feedback from our partners, stakeholders and the public on key areas for action over the next three years to help stabilize and transform the child care sector. Through the discussion paper, we heard from a number of municipalities that a streamlined, flexible funding formula that responds to local needs and administrative capacity is needed.

In response to the feedback we received, the government is introducing a more equitable, transparent funding formula in 2013. The new formula is based on updated data, reflecting changing demographics, and better responds to demand for services to more effectively meet the needs of municipalities, child care operators and parents.

In addition to the advice received through the discussion paper, to inform the development of the revised funding formula, the Child Care Funding Formula Working Group was established under the AMO-MOU agreement with representation from individual municipalities, AMO and OMSSA. This working group provided tremendous support and advice in the design of the revised funding formula and framework. In addition, I presented the formula at the AMO-MOU table on December 13, 2012 and committed to continuing to work with the municipal sector as it is implemented.

The revised funding formula and framework provides municipalities with the flexibility and tools to better manage the child care system at a local level, thereby helping to improve delivery services, stabilize fees and mitigate child care centre closures. A more responsive, rational funding formula will also reduce inequity and efficiently distribute funding to communities with the greatest need. In addition, streamlining the administrative aspects of child care funding will reduce administrative burden and support the delivery of more efficient services at a better value for taxpayer dollars.
To provide a smooth transition to the revised funding formula, mitigation strategies (which include $50 million in mitigation funding in 2013) will ensure that no municipality will see a decrease in total funds available for child care for nearly four years.

We are committed to modernizing child care by building on the feedback we have received. Implementing a revised funding formula is a very important next step, but we also remain committed to the other important components of child care modernization identified in the discussion paper earlier this year. I look forward to working collaboratively with you as we continue to build a more robust system that supports our children in their earliest years.

Yours truly,

Laurel Broten
Minister

Resources:


- Memorandum, technical paper, and child care service management guideline to support new child care funding formula and framework: [http://faab.edu.gov.on.ca/CCMemos.htm](http://faab.edu.gov.on.ca/CCMemos.htm)