

Covering costs a 'growing challenge' for P.E.I. early years centres

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'Revenue is staying the same, but expenses are increasing'

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EXCERPTS

It is becoming increasingly difficult for Prince Edward Island's government-regulated and subsidized child care centres to cover their expenses and turn a profit, according to the Early Childhood Development Association of P.E.I.

The association's executive director Sonya Hooper says the provincial government hasn't increased the fees early years centres can charge parents since 2015, although the centres' operating costs including rent, heat, supplies and food have risen steadily.

"There needs to be recognition given to the fact inflation is a real thing and costs to operate a business do grow."

— Sonya Hooper

"Revenue is staying the same, but expenses are increasing," said Hooper.

"It's certainly been a growing challenge for centres to meet their expenses. We do believe they're finding ways, but I feel that from what I'm hearing from centres, they're pretty maxed with the creativity that they can throw in there."

Government funding hasn't kept up

The province's 47 early years centres receive government funding to help cover the cost of having to deliver a set curriculum and pay certified staff according to a government-set wage grid.

The province says while its funding to centres has increased overall, from roughly \$6.7 million in 2015 to \$8.1 million in 2018, that is largely a response to centres creating more spaces and paying more certified staff.

The formula used to calculate the province's funding to the centres does not factor in most operating costs like food or rent.

Last week a new study from the Canadian Centre for Policy Alternatives showed that P.E.I. parents pay some of the lowest rates for child care in the country, at about \$738 per month for an infant and \$608 for a toddler.

"I think there needs to be recognition given to the fact inflation is a real thing and costs to operate a business do grow over a period of time," said Hooper. "Even if it was built in that every three years or five years, there's some reflection of that."

Formula 'pretty fair'

But P.E.I.'s Minister of Education and Early Learning Jordan Brown maintains the funding formula has worked well since early years centres were established in 2010.

He points to the fact the number of Island daycares operating as early years centres has grown from 34 to 47 since 2010.

Brown said while increasing parent fees isn't out of the question, the government has to be cautious.

"We need to be careful not to throw the balance we've been able to achieve over the last eight or nine years."

— Jordan Brown

"What it boils down to is, can P.E.I. families afford to pay an increased rate?" said Brown.

"We're pushing quality, accessible programming and we feel the formula we've had over the course of time has been pretty fair in the industry," Brown said.

"We need to be careful not to throw the balance we've been able to achieve over the last eight or nine years."

Hooper agrees increasing the cost of daycare for Island parents isn't the answer, but she said to maintain quality programming and to justify staying in business, centre owners need to boost revenue somehow.

"Whether that's through government revenue, whether that's creating relationships with some of the large employers across P.E.I. — something needs to change," she said.

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