

Nunavut daycares say they're at risk of going bankrupt during pandemic ^[1]

GN says it has spent around \$900,000 on subsidies, urges daycares to apply for federal funding

Author: Tranter, Emma

Source: Nuntasiaq News

Format: Article

Publication Date: 24 Apr 2020

AVAILABILITY

Access online ^[2]

EXCERPTS

A group of daycare workers in Iqaluit and Pond Inlet are requesting additional financial support from the Nunavut government during the COVID-19 pandemic.

An April 19 letter submitted to David Joanasié, Nunavut's minister of education, asks for immediate financial assistance from the Government of Nunavut.

The letter is signed by eight executive directors and co-directors of Qikiqtaaluk child-care centres.

"The fragile ELCC sector in Nunavut requires urgent financial support during the COVID-19 pandemic. We are requesting immediate sector-specific aid from the federal government and the Government of Nunavut," the letter states.

The letter states that as of April 19, child-care centres that have enough money in savings will only be able to cover the next two to three pay cycles.

"Once these funds have been depleted, and without adequate sector-specific aid, we will not be able to sustain operations. In turn, we will become insolvent and ultimately go bankrupt," the letter states.

The letter also states that the Canada Emergency Wage Subsidy will not be enough.

"The Canada Emergency Wage Subsidy of 75% will not cover our staff wages. It will not cover our rent and utility bills. The Canada Emergency Relief Benefit will only serve to slash our educators' already incredibly low wages. This will create further undue stress for Nunavut residents who are already dealing with food insecurity and high living costs," the letter states.

In Nunavut, child-care centres are run by non-profit societies. The Department of Education licenses community early childhood facilities and provides start-up and annual operations funding to non-profit licensed child-care facilities. Non-profit organizations can receive funding to support new and existing child-care facilities.

"If we must lay off our Early Childhood Educators, it is very likely that they will not return to this field because of low wages and a lack of recognition for the work that they do," the letter states.

On March 19, Finance Minister George Hickes announced that licensed child-care facilities in the territory would receive \$531,000 to cover potential lost fees.

At a news conference on April 20, Premier Joe Savikataaq told reporters the GN has spent nearly \$900,000 to help subsidize daycares since the pandemic began. That funding ended on April 21, Savikataaq said.

"There's federal programs available that they can tap into," Savikataaq said on April 20.

Finance Minister George Hickes said one of the GN's main concerns with covering costs for daycares is that doing so would make them ineligible for federal funding.

"They wouldn't be showing the losses that are needed to qualify for the wage subsidy funding," Hickes said.

"We do recognize that's still going to continue to put challenges to the daycares. One of the silver linings, if you want to call it that, is ... this COVID issue ... arose through the new fiscal year. It gives the daycares [the] ability to use their allocated funds for this year to build their inventory, to still do their sealift orders, to make sure they're ready to open when they can safely do so."

Branwen Purnell, executive director of Tundra Buddies Daycare in Iqaluit, told Nunatsiaq News the Canada Emergency Wage Subsidy would not be enough to keep the daycare afloat.

“We are encouraged as businesses to ‘top-up’ that 75 per cent so that employees are getting their full wages. We cannot do that and are not in a financial position to do so. As non-profit childcare centres we rely entirely on parent fees (which are not being charged at the moment), federal funding and donations. With employees only making 75 per cent of their wages, it is likely that they will leave for alternative work,” Purnell said in an email.

Purnell said daycare employees could apply for the Canadian Emergency Response Benefit, but they would need to prove they will not make any money for a four-week period.

Purnell also said the group received a response to their letter stating there will be no additional funding from the Government of Nunavut for child-care centres.

“Personally it was very upsetting, because early childhood education is routinely swept aside. We are licensed by the Department of Education yet are consistently overlooked,” Purnell said.

Region: Nunavut ^[3]

Tags: funding ^[4]

closure ^[5]

policy ^[6]

Source URL (modified on 30 Apr 2020): <https://childcarecanada.org/documents/child-care-news/20/04/nunavut-daycares-say-theyre-risk-going-bankrupt-during-pandemic>

Links

[1] <https://childcarecanada.org/documents/child-care-news/20/04/nunavut-daycares-say-theyre-risk-going-bankrupt-during-pandemic>

[2] <https://nunatsiaq.com/stories/article/89330/>

[3] <https://childcarecanada.org/taxonomy/term/7862>

[4] <https://childcarecanada.org/category/tags/funding>

[5] <https://childcarecanada.org/category/tags/closure>

[6] <https://childcarecanada.org/category/tags/policy>