

# Daycares fear loss of ECEs, spaces as Ontario bars using its grants for wages <sup>[1]</sup>

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## EXCERPTED

Daycares in London are fretting about the consequences of a decision to make certain provincial funding ineligible for wage top-ups that keep their educators paid at a competitive rate.

The financial hit could be tens of thousands of dollars in London and Middlesex County alone.

And the risk, advocates say, is that early childhood educators will leave to do safer and better-paid work, especially considering the threat of COVID-19. There's even the potential it could trigger the loss of child-care spaces in the region, they say.

"We were already struggling to retain enough qualified educators in our sector — this was a problem before COVID," said Barbara Jackson, co-chair of the Licensed Child Care Network (LCCN), which represents about three-quarters of early learning and licensed child-care organizations in London and Middlesex.

That's why many child-care providers were using a federal emergency wage subsidy to cover 75 per cent of wages for its early childhood educators and, on top of that fund, provincial dollars to make up the remaining 25 per cent.

They've now been told they can't use the provincial money for that purpose. The province wants its operating grants to be spent on overhead costs, since so many child-care centres don't have parents paying fees right now.

But lots of educators employed by those organizations are still working, doing everything from online "classrooms" to food and diaper deliveries, said Diane Gordon, another co-chair of the LCCN.

Using a combination of federal and provincial funds to cover their salaries would help keep staff "intact" and ensure they didn't flee to other jobs amid the pandemic, Gordon said. Many early childhood educators already chose to work in schools rather than child-care centres because the pay is better.

"It would enable us to come roaring back when the time was right," Gordon said of using both grants to cover wages.

"Losing the dollars we thought we had during this entire closure weakens the financial situation of those operators coming into a very difficult reopening phase. That could challenge some more than others. It could create a loss of spaces."

Even after the pandemic, when more child-care centres can reopen, not being able to use provincial funds to top up wages could hurt the sector, advocates warned. Early child educators may simply opt for another job, and fewer educators or reduced funding could decrease the number of child-care spaces available for families. Many child-care agencies are run by non-profit boards with limited spending power.

This week, London's three provincial NDP representatives raised the alarm about the decision to put more rules around those provincial grants, saying it will hurt families and workers.

The province contends it's making sure child educators are fairly compensated while also helping fund overhead costs since daycares can't collect parent fees while closed during the pandemic.

"We are grateful to our child-care partners and recognize them for the critical role that they play in the lives of children and families across the province. That is why our government is focused on an approach that supports financial sustainability across the child-care sector. We know that a stable and accessible child-care system will be critical to Ontario's recovery following the COVID-19 outbreak," a spokesperson for the Minister of Education said in an e-mailed statement.

"We have worked with our federal and municipal partners to ensure that the sector IS supported through the federal economic recovery programs and we have ensured that the existing municipal and federal early learning and child care funding can be used to support wage top-ups."

Child-care centres won't be required to pay back the top-up they gave to educators using the provincial fund, a spokesperson said by e-mail Tuesday. But that's the opposite of what those organizations have heard, representatives with the LCCN told The Free Press. There

was no response from the province to followup questions.

Though the province says agencies can use federal and municipal funding to top up paycheques, many child-care leaders say they remain concerned that provincial funding can't be used that way.

"Our only income is parent fees and grants from the government. We have no parent fees, so our only option for revenue is grants, and they're saying we can't use (provincial) grants to pay for 25 per cent (of our) salaries, which is 80 to 85 per cent of our costs," said Kara Pihlak, executive director of Oak Park Co-op Children's Centre, who is leading the LCCN's advocacy efforts.

"It's also supporting families, particularly women, to get back into the workforce. Those supports need to be there to restart the economy," Jackson added.

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