

# Some child care providers shutting down due to subsidy rollout <sup>[1]</sup>

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## EXCERPTS

Krisdee Penney will be marking 10 years as a day home operator this month, but she's not celebrating.

Instead, she notified the Department of Education, Culture and Employment (ECE) of her resignation on Tuesday.

Not because she's lost her passion for the job, but due to ECE's rollout of federal daycare subsidies, she's decided to close the doors of Dee's Day Home after the summer, once her clients have found somewhere else to go.

"I'm still trying to process all this," she said. "How they went about it was so unbelievably wrong."

After the GNWT reached a deal with the federal government in December to roll out \$10 per day childcare over the next five years, including halving fees starting this year, providers were told their territorial funding would not be tied to their signing up for the new federal subsidy. In March, in response to questions from the newly-formed NWT Early Childhood Education Association, deputy minister of ECE John MacDonald said, "The CCFR (child care fee reduction) subsidy does not impact any existing funding programs provided by ECE to licensed early learning and child care programs."

Now, the department is telling child care providers they have to sign up for the federal subsidy or risk losing territorial funding.

"Those programs that choose not to opt-in to the subsidy will, going forward, no longer be eligible for ECE funding intended to develop and transform the early learning and child-care system in the NWT," ECE spokesperson Erin Mohr stated.

And that federal funding comes with strings attached. In an email to providers dated March 24, ECE's director of early learning and child care, Shelley Kapraelian, warned that "implementing fee increases in excess of 2.3 per cent for April 1, 2022 will render licensed programs ineligible to participate in the CCFR subsidy."

"That is not a raise, that is just an inflation adjustment," said Penney.

Yvette Cooper said she has been waiting since the beginning of the pandemic to increase her fees, not wanting to put extra financial pressure on families during an already stressful time.

"We have always been kind to our families and charged them as little as we could because we recognize that they're families," she said.

Cooper isn't ready to close her day home just yet. However, she said, "an exit plan is definitely in the making."

This is despite opting in to the federal subsidy, unlike Penney.

Mohr said 39 of the territory's licensed child care providers had opted in to the federal subsidy as of April 19, "with the majority of programs in process and expected to be finalized soon."

Providers were required to sign up by April 15 to receive retroactive reductions for January to March, but Mohr said they can still sign up at any time.

Providers were also outraged by a footnote in the final agreement between the territory and the federal government that says, "In 2019, average child-care fees in NWT were approximately \$38 per day." They say this number is out of touch with the actual cost of child care in the territory.

In an April 12 letter, ECE explained that this figure was not used to negotiate funding with the federal government, but instead the monthly averages for 2021-22 were used — which are "\$1,060 for infants, \$930 for toddlers/preschool, [and] \$325 for out of school."

**Region:** Northwest Territories <sup>[3]</sup>

**Tags:** funding <sup>[4]</sup>

universal child care <sup>[5]</sup>

home child care <sup>[6]</sup>

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