

GNWT yet to set childcare fee increase cap for year ahead ^[1]

Three of 98 licensed NWT childcare providers have so far declined to join a federal program aimed at eventually providing \$10-a-day care, the territory's education minister says.

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Source: Cabin Radio

Format: Article

Publication Date: 6 Jun 2022

AVAILABILITY

Access online ^[2]

EXCERPT

Speaking in the legislature last week, RJ Simpson said every daycare centre had opted in, as had all but one family dayhome and all but two after-school programming groups.

Providers can opt in at any time. However, the minister was referring to a mid-April deadline by which providers had to sign up to receive funding that would offer parents a retroactive subsidy on fees, backdated to January 1.

Providers signing up after that date receive ongoing subsidies but can't offer families the backdated payment.

The federal subsidy, an opening move toward the Liberal government's central commitment to \$10-a-day childcare, provides money to daycares and day homes, which then use it to subsidize the fees parents pay. This year, the aim is to halve costs for the average NWT family, the gradually work toward \$10-a-day in future years.

Many providers had opposed the manner in which the NWT government rolled out the program, which they said had been rushed – even the federal government acknowledged it was running many months ahead of schedule – and included last-minute shifts in policy.

Three days before the initial deadline to opt in, the territorial government declared any provider opting out of the federal program could no longer receive any form of territorial funding for the sector. Katrina Nokleby, the Great Slave MLA, said at the time such a shift amount to making providers “sign under duress.”

As a condition of signing up for the subsidy, the GNWT also acquired the final say over each provider's annual fee increases. For the past financial year, those increases were capped at 2.3 percent.

Last week, Simpson said no cap had yet been decided for the coming year.

“This is in an environment where, nationally, inflation is running at 6.7 percent. Here in Yellowknife, 7.1 percent,” he was told by Frame Lake MLA Kevin O'Reilly in the territorial legislature.

“The minister has confirmed increases above 2.3 percent will be allowed when deemed necessary. So what's the definition of 'necessary' and when would the minister allow increases beyond the 2.3 percent cap?”

Simpson replied: “We don't have a cap set for the upcoming year. We've moved some money around within the program to ensure that we can keep up with the unforeseen costs of inflation.”

The minister said “a few programs” had been exempted from the past year's 2.3-percent cap, which a number of providers had said was unrealistic. Some parents had reported confusion over what they perceived to be sharp increases in fees before that cap kicked in. Day home operators said those increases were simply their attempts to meet the territorial government's rules while remaining financially solvent.

Exemptions, said Simpson, were “based on whether or not they needed an increase beyond that to survive, essentially.”

He added: “In those instances where the operating costs were exceeding what they were bringing in, that cap was adjusted.”

Simpson said January-to-March backdated payments had now been processed for all providers opting in to the federal program “and the majority of programs have received payments for the current fiscal year as well.”

No date was specified for the coming year's fee increase cap to be set.

Region: Northwest Territories ^[3]

Tags: child care ^[4]

\$10-a-day child care ^[5]

subsidy ^[6]

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