

'We just don't have clear information': Nearly 250 GTA child care centres have applied for \$10 a day program ^[1]

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EXCERPTS

Nearly 250 child care centres have signalled their intent to opt into the federal government's \$10-a-day program since applications opened across most of the Greater Toronto Area last week but hundreds of others remain on the sidelines with some saying they need more details in order to come to a final decision.

The City of Toronto, York Region and Peel Region all opened their application portals for entry into the Canada-Wide Early Learning and Child Care Agreement last week, joining Durham which was among the first municipal service managers to begin accepting applications back on June 6.

CP24.com has confirmed that 172 of Toronto 1,000 licensed centres have applied to opt into the program so far, while five have formally opted out.

In Durham 30 out of 104 licensed centres have applied to opt into the program so far, while in Peel 22 out of 199 licenced centres have submitted their applications to opt in and in York Region 21 out of approximately 500 licensed centres have done so.

A City of Toronto spokesperson told CP24 this week that they are "pleased with the number of applications received" so far given that centres have until Sept. 1 to apply and will "continue to work with operators and provide support so that they can make an informed decision."

However, some operators are raising concerns about committing to slashing fees without critical information about funding levels, particularly in 2023 and beyond.

"In order to make a fundamental change in a business, to go from a revenue stream where parents pay fees and you have a business plan based on that to a revenue stream where you are reducing your fees gradually over time you have to figure out how it is going to work and we just don't have clear information on that," Maggie Moser, who operates the Blossoming Minds Learning Centre on Danforth Avenue, told CP24.com this week.

"There is no center at least among the independent centers that that we know of that have received a written contract. Some municipalities have told the centres that they won't be receiving a written contract and some have said they won't have anything for them until later on in the fall. It causes a problem in that you cannot make business decisions in an un-businesslike manner."

Ontario's \$13.2 billion agreement with the federal government is structured in such a way that it puts the onus on municipalities to enrol licensed centres and agencies into the new system and distribute money, which will then be used to reduce the fees being charged to parents – by 25 per cent as of April 1 of this year and by 50 per cent as of Jan. 1 of next year.

It is a unique arrangement in the context of the federal program owing to the fact that Ontario has long designated municipalities as "service managers, who are responsible for planning, funding and administering licensed child care services in their communities.

And it has some for-profit operators nervous.

Moser is a director with the Ontario Association of Independent Childcare Centres and says that right now the consensus among her approximately 1,000 members is that "by and large people cannot opt in," because they would be risking "financial ruin" by committing to reducing fees upfront without certainty around funding levels going forward.

She also said that the deal doesn't take into account some of the investments that for profit operators have already made in their centres, many of them funded by a combination of debt and investors.

"Even if they (the municipalities) paid every expense that we currently have, they will fund the gap between the reduced revenue and the expenses and that equals a net profit of zero," she said. "So our centers have been funded by us, we did the investment, we put the hundreds of thousands of dollars into the buildings. We have mortgaged our homes and took out business loans, which we still have, and

they want us to keep carrying those business loans and paying the mortgages but they are not part of the funding."

"They want to take our buildings for use now in the condition they're in after the investment of these hundreds of thousands of dollars to create the childcare center and they want to pay us basically for the day-to-day costs but not the long term costs which have been sunk into them. So as a business person you say 'Well, why would I do that?'"

PARENTS TOLD REBATES WOULD BE ISSUED AS SOON AS MAY

When the Ontario government inked a deal with the feds to bring \$10 a day child care to the province in March, becoming the very last province to do so, it promised that fees would be reduced by 25 per cent as of April 1 and that parents would start receiving rebate cheques as soon as May.

But the rollout has been slower than many parents were led to believe and so far no centre in the GTA has even been formally approved to be part of the program.

Speaking with reporters at a press conference on Thursday, Premier Doug Ford expressed some frustration with the delays, noting that we "need to get this moving as quickly as possible."

But he said that it ultimately "falls on municipalities" to get centres enrolled.

"They have to move forward. We're getting more and more people signing up but if they have any questions, by all means reach out to our ministry and they'd be more than happy to help them through it," he said. "We have to get moving on this."

MUNICIPALITIES RECEIVED FUNDING LAST MONTH

As part of the federal child care deal centres have until Sept. 1 to apply but would then be given an additional 60 days to actually pass on savings to parents, likely pushing fee relief to the late fall.

Speaking on background, a spokesperson for Minister of Education Stephen Lecce told CP24 that "information and webinars sessions to communicate details were held with key stakeholders," beginning in March when the agreement was signed.

The spokesperson said that the initial round of funding, some \$785 million, was then distributed to municipalities during the week of May 2.

They also pointed out that unlike "the vast majority" of bilateral agreements, the deal that Ontario reached with the feds allows for profit operators to participate in the program so long as at least 70 per cent of the subsidized spaces are operated by non-profit operators by the end of the agreement in 2026.

"Altogether, Ontario parents are now afforded with the options, benefits and supports for early years and child care services than anywhere else in the country," a statement provided to CP24 notes.

Moser, however, remains skeptical.

She said that she does want to see the goal of the program – reducing the cost of childcare to an average of \$10 a day by 2026 - accomplished and will meet with ministry of education officials next week to discuss some of the stumbling blocks preventing for profit centres like hers from opting in.

But in the meantime, she has a message for parents who may have been expecting imminent savings of hundreds of dollars a month.

"The reason your local childcare center is not opting in is not because they don't want to but because they're not able to," she said. "They're not able to afford the cost of opting in. It really is as simple as that."

So far only 20 out of the 47 municipal service managers in Ontario have begun to formally accept applications to either opt into or out of the program.

They are as follows:

1. Manitoulin-Sudbury
2. Bruce
3. Grey
4. Simcoe
5. Durham
6. Toronto
7. Kenora
8. York
9. Lambton
10. Algoma
11. Timiskaming
12. Huron
13. Niagara
14. Peel
15. Parry Sound

16. Renfrew
17. Sault Ste Marie
18. Lanark
19. Greater Sudbury
20. Prescott & Russell

Region: Ontario ^[3]

Tags: child care ^[4]

Canada-wide agreement ^[5]

\$10-a-day child care ^[6]

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