

# NL's Operating Grant Program (OGP): The sector is ready for change <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

The Newfoundland and Labrador government has just released a report from Deloitte on the Operating Grant Program (OGP) that funds licensed child care centres and family home child care providers in the province.

The review found that the OGP does not reflect the real costs of operating high quality ELCC and the report makes a number of recommendations to address the problem.

In particular, the report highlights problems with the funding rates and program requirements that are creating inefficiencies and inequities in the system. Notably, the two-tiered grant rates (standard and enhanced), minimum enrolment rates (at 70%), and the broad definition of full-time hours (minimum of 4.5 hours/day) are identified as features of the OGP formula that create inequities and incentives in the system and reduce the capacity of the sector to meet the growing demand for licenced child care.

Although the weaknesses of the funding formula are detailed, the report does not propose a better operating grant formula nor propose firm timelines for achieving change.

The review also examines other aspects of the OGP, including accountability, governance and administrative supports. The report identifies ways that systems and processes can be streamlined to better support families and service providers and, ultimately, improve the efficiency of the program and use of public funding.

Importantly, the report addresses workforce challenges. It identifies the need for the OGP to reflect the cost of providing better working conditions and benefits for those who work in the sector in order to address the problems of retention and recruitment. Drawing on findings from interviews with educators in centres and family child care homes, the report points to the need for paid holidays and employee benefits that recognize higher qualifications and experience in the sector.

The problems with the OGP outlined in the report must be actioned quickly in order to overcome the financial strains the sector is currently experiencing, and to make expansion of licensed early learning and child care possible and sustainable.

Child Care Now has prepared a briefing note on the Deloitte report.

**Related link:** [Operating Grant Program review: Final report](#) <sup>[3]</sup>

[Child-care programs need more cash, says researcher, as N.L. releases review of operating grant](#) <sup>[4]</sup>

**Region:** [Newfoundland](#) <sup>[5]</sup>

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