

Ontario cutting funding from daycare centres not in \$10-a-day program ^[1]

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Excerpt

Ontario child-care centres that aren't participating in the national \$10-a-day program will soon lose provincial funding to offer new fee subsidies to lower-income families and their staff could see a pay cut of \$2 an hour.

In a memo sent to licensed operators in Ontario outlining changes to how the province is funding the \$10-a-day program, an assistant deputy minister of education wrote that starting in 2025, non-participating centres will no longer receive routine funding such as "general operating, fee subsidy or wage enhancement grants."

Families who already get fee subsidies for child care will continue to benefit until their child ages out or leaves their provider, the memo said, but any new families won't be able to access subsidies for kids aged five and under in centres outside the \$10-a-day system.

That money will instead go into funding the \$10-a-day program "to ensure the success of that system," according to the memo.

The Ministry of Education last month announced a long-awaited new formula for funding the centres in the \$10-a-day program, after many operators said they were struggling to keep their doors open with the province simply replacing the revenue from discounted parent fees.

The new approach is intended to cover operators' actual costs and give them some flexibility, which many said will stabilize the sector for now, though it still may not be ideal for long-term growth.

The accompanying changes that will see funding cut off from non-participating centres will make it harder for them to operate, and therefore harder for families to access care outside the \$10-a-day system, said Andrea Hannen, executive director of the Association of Day Care Operators of Ontario.

"When these centres lose access to provincial funding, including the opportunity for their staff to receive provincial wage enhancements and the families they serve to receive provincial fee subsidies, they will have to either close their doors, or dramatically raise their fees," she said.

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