

Day-care price tag: \$100,000: Critics decry plan to keep open money-losing centres [CA-ON] ^[1]

Author: Phillips, Annette

Source: The Kingston Whig-Standard

Format: Article

Publication Date: 4 Oct 2001

AVAILABILITY

Text below

EXCERPTS:

The city is set to pump up to \$100,000 a year into its two financially troubled day-care centres.

But that support will contravene municipal and provincial funding policies that require the city to subsidize its own day cares at the same level it does private facilities.

The decision has outraged owners of private day-cares, who say the city won't cover their deficits if they run one, but is covering its own.

Council, meeting in committee of the whole, voted 8-5 Tuesday to continue operating both Depot and Oakwood day-care centres in the city's north end.

The centres are running a combined deficit expected to reach \$100,000 a year.

In voting to keep both centres open, councillors dismissed more than a year's worth of studies, public consultation and the recommendation of its own task force, which suggested expanding Oakwood and closing Depot.

Both centres are operating at less than 50-per-cent capacity and the task force wanted to centralize city-run day care at Oakwood on Compton Street.

Councillors Bill Campbell, Don Rogers, George Stoparczyk, George Sutherland and George Beavis cast dissenting votes in what Stoparczyk called a "fiscally irresponsible" decision.

But impassioned pleas from parents and some councillors Tuesday caused the majority to vote against the city's funding policy, which says private and non-profit day-care centres must receive the same treatment as the city-owned operations.

Councillor Steve Garrison argued that the day-care centres, which serve Kingston's poorest families, must be kept open and accessible. Many families in the day-care centres' neighbourhood don't own cars and the city would be unrealistic to expect parents to take their children to day care by bus or taxi, he said.

Councillor Beth Pater urged councillors to look at the money as an investment in the future of the community's children.

Councillor Rick Downes, who represents the ward in which Depot is located, called the money "an insignificant amount" of the city's annual \$250-million budget.

Private and non-profit day-care operators are outraged that council would arbitrarily favour its own centres over the other 70 day-care businesses in the city.

"I don't know how [council] can do this," said Wendy Taylor, director of Corner Clubhouse Daycare Centre. "Where is the equity?"

Other day-care centres would go out of business if they ran a deficit, Taylor said, adding that the city's deficit is comparable to her entire operating budget for a day-care centre the same size as Depot.

Inefficiencies and high wages in city-run day-care centres are to blame for the deficit, she said. City staff are paid about \$20 an hour while workers in the private and not-for-profit sectors make between \$13 and \$15, on average.

"If we raised our rates to pay our staff what they get paid by the city, we would go out of business," she said.

The city and the province have designated two pots of money - one to subsidize low-income families and one to increase wages for workers. The money is supposed to be shared equally among all day-care centres.

"The city can't cover a \$100,000 deficit out of the child-care envelope," Taylor said. "There are 70 other centres that are not going to sit still for that."

In making their decision, councillors ignored the advice of Community Services Commissioner Lance Thurston, who warned that both municipal and provincial policies say day cares must be funded equitably.

The city-run centres are costing \$55 per child per day, of which the province pays 80 per cent.

The comparable per diem rate for subsidized spots in private and non-profit day-care centres is about \$28, Thurston said.

Thurston also advised against initiating a marketing plan to attract more day-care business. Council added the marketing component to the motion to keep Depot open.

"We could be accused of using city resources for our own purposes," he warned, adding that at the full cost of \$55 per day per child in a city day-care, the city is unlikely to lure business from the centres that charge \$28.

"We're sort of creating a niche market for ourselves," he said.

Marian Archer, director of the Bayridge Drive Child Care Centre, said Wednesday that directors of the private and non-profit centres will be meeting this week to come up with an action plan.

"If [councillors] are going to fund city-operated child care deficit out of one of those pots of money, that will be a concern to everybody," Archer said.

She believes councillors would be wrong to arbitrarily toss out a year's worth of consultation.

"City staff did an amazing job on that report. All the facts were out in the open and they did a lot of work to come up with this difficult decision and for council to just disregard that amount of information - all those facts and figures - is just amazing."

Council will be in a weak position to ignore other requests for funding if it ratifies the vote next week, Thurston cautioned.

Reprinted from the Kingston Whig-Standard.

Region: Ontario ^[2]

Tags: subsidy ^[3]

funding ^[4]

privatization ^[5]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/01/10/day-care-price-tag-100000-critics-decry-plan-keep-open-money-losing>

Links

[1] <https://childcarecanada.org/documents/child-care-news/01/10/day-care-price-tag-100000-critics-decry-plan-keep-open-money-losing> [2]

<https://childcarecanada.org/taxonomy/term/7856> [3] <https://childcarecanada.org/category/tags/subsidy> [4]

<https://childcarecanada.org/category/tags/funding> [5] <https://childcarecanada.org/category/tags/privatization>