



1-188 Bunting Road  
St. Catharines, ON L2M 3Y1  
1.800.567.7075  
admin@adco-o.on.ca

## **PROVINCIAL SUPPORTS FOR EMPLOYERS AND SMALL BUSINESS MAY BENEFIT CHILD CARE CENTRES**

*For Immediate Release*

ONTARIO—November 5, 2020— This afternoon, Ontario’s Minister of Finance, Rod Phillips tabled the 2020 Budget. As expected, it included investments in the health care system and a variety of COVID-related expenditures that were announced earlier in the year. While there were no new measures related to licensed child care, some supports aimed at helping small businesses reduce their expenses may be of benefit to licensed child care owner/operators.

These measures include reductions in the Employer Health Tax, investments in the Provincial delivery of the Canada Emergency Commercial Rent Assistance program, and providing municipalities with the flexibility to reduce property taxes for small businesses. “Of course, the devil is the details and how these promises are implemented remains to be seen,” says Andrea Hannen, Executive Director of the Association of Day Care Operators of Ontario (ADCO). “That said, any reduction in operating expenses for independent licensed child care centres is important right now.”

More than 130 licensed centres have closed since March. “Not all of them were able to survive the Provincial Emergency Orders, which kept most centres closed and without revenue for four months,” explains Hannen. Compared to other provinces, Ontario was also very slow to commit to sustainability funding for the sector. When it finally did, the distribution of funding was stymied by the fact that Ontario funnels most Provincial funding for child care through 47 upper-tier municipalities. “In some municipalities, child care centres didn’t get their funding for the closure period until very recently. Many still haven’t received the Canada Safe Restart Agreement funds the Province secured to help with increased reopening costs, such as cleaning and PPE.”

Lower enrollment also continues to pose a challenge to the sector, with many centres operating at only a portion of their licensed capacity. “A lot of parents have lost jobs, aren’t back at work full-time, or are still working from home,” says Hannen. “This changes how families use licensed care. They need more flexible options than they did before. Measures like the CARE tax credit make a lot of sense now, whereas building new institutional child care spaces in public schools doesn’t.”

“Looking ahead, the focus really needs to be on encouraging the growth of sustainable licensed child care options,” says Hannen. “The Province can do this through things like repealing and replacing the Child Care and Early Years Act (CCEYA), which has made licensed child care more expensive and harder for families to find. The Province could also eliminate a lot of bureaucracy and red tape for families by standardizing and digitizing the fee subsidy application process and making it accessible online. As it stands, every municipality has its own application process for families and even if a family meets the Provincial criteria for fee subsidy, it is largely at the municipality’s discretion whether or not they actually receive it. Families deserve greater transparency and fairness.”

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***ADCO is the industry association for Ontario’s independent licensed child care centres. Independent licensed child care centres are those that are not run by public sector entities such as municipalities or school boards, or by large multi-service agencies such as YMCAs. While independent licensed child care centres may be run as businesses, not-for-profits or co-ops, their core business is licensed child care. Independent licensed child care centres account for more than a third of Ontario’s licensed child care spaces. Many are run as small businesses, owned and operated by women.***

For further information, please contact:  
Association of Day Care Operators of Ontario (ADCO)  
[admin@adco-o.on.ca](mailto:admin@adco-o.on.ca) or 1-800-567-7075