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## **NEW PROVINCIAL FUNDING APPROACH CAN'T FIX FLAWS IN FEDERAL CHILD CARE PROGRAM**

*For Immediate Release*

August 15, 2024—Earlier today, Ontario's Ministry of Education released information regarding its new approach to administering federal child care funding under the Canada-Wide Early Learning and Child Care program (CWELCC). The new approach took over two years to develop and will be implemented starting in January of 2025. "It may take some time for Ontario's licensed child care owner/operators and families to fully understand the implications of the new funding model," says Andrea Hannen, executive director of the Association of Day Care Operators of Ontario (ADCO), which represents independent licensed child care centres—both commercial and not-for-profit—across Ontario, noting that the fundamentals of the federal child care program haven't changed.

"To be fair, Ontario's Ministry of Education staff had a nearly impossible task--find a way to fund centres participating in the federal program fairly, no matter what community they're in, whether it's urban or rural, whether the centre is a small single-site provider, has multiple locations, has a large staff, a small staff, provides specialized programming, etc. I don't think there's anybody in the sector who doesn't appreciate the level of work the task required," says Hannen. "That said, we're still dealing with a deeply flawed federal program that has left the majority of families with children under five out in the cold. To help reduce waitlists, Ontario has called on the federal government to lift some of the restrictions on new centres opening up, but to no avail. We're also still dealing with an implementation model that filters the federal money through two layers of government bureaucracy before it can be used to reduce the fees families pay for care or to increase wages for staff."

The information the Ministry of Education released today also noted that Provincial funding for centres not enrolled in the federal program is going to be phased out as of January 2025. "A lot of these centres have actually applied to participate in the federal program, but have been denied because the federal government is seeking to limit small business participation in the sector," says Hannen. "This is devastating for the staff who work at those centres. It also means that moving forward, families who need assistance with their child care fees will have far fewer licensed child care choices," says Hannen.

"There likely will be some centres that are participating in the program now that will find the new funding approach helpful, just as there will be some parents who will be paying less for child care in January, but don't forget, there's a whole population of centres that are currently teetering on the edge of bankruptcy. They didn't raise their fees during Covid, then they had their fees frozen when Ontario signed onto the federal program. Ontario's previous funding formula didn't keep pace with inflation, so these centres have been operating at a loss for nearly three years. Will the new funding formula be enough to save them? We just don't know."

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***ADCO is the industry association for Ontario's independent licensed child care centres, both commercial and not-for-profit. 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. Most are small businesses, owned and operated by women. For further information, please contact: the Association of Day Care Operators of Ontario (ADCO) at admin@adco-o.on.ca or Andrea Hannen at 1-877-685-4288, ext. 1.***