



October 11, 2024

Dear Families,

You may have seen recent [news](#) about some child care operators, primarily for-profit, planning temporary closures and even considering leaving the Canada-wide Early Learning and Child Care (CWELCC) system—commonly referred to as the \$10/day plan. We want to assure you that this is not the case at RisingOaks Early Learning.

Our organization began as a for-profit in 1981 with a single centre and grew to multiple locations by the late 80s. In 1991, the founders made a selfless and visionary decision to incorporate as a not-for-profit, in response to research showing that the quality of care was higher in not-for-profit organizations. This shift wasn't just about business—it was about doing what was best for the children, families, and community. In 1998, we took this commitment further by becoming a registered charity. Since then, our priority has been ensuring high-quality care and fair compensation for our dedicated staff, while minimizing the financial burden on families. Long before CWELCC, we made it our mission to keep fees as low as possible, leveraging every opportunity to access additional funding for the benefit of our community.

So, why are some operators upset? Recently, the Province introduced a new funding formula for CWELCC, which we're still reviewing to fully understand its implications. One of the key changes is a limit on the annual surplus (or profit, for for-profit centres) to 8%. As a not-for-profit, this cap on surplus / profit is something we welcome, as it allows us to focus on meeting operational needs and prioritizing staff wages. For-profit operators, however, feel differently, with some seeking unrestricted profits—a difficult stance to justify in a system now significantly supported by taxpayers.

Additionally, operators who opted out of the CWELCC program (a small number across the province, mostly for-profit) are facing the end of their access to government funding starting January 1, 2025. These operators made the choice to remain outside the CWELCC system, so the discontinuation of their public funding seems a natural consequence of accountability to taxpayers.

As we reflect on this situation, we want to emphasize that access to quality, licensed, and affordable child care has made a significant difference for families like yours. It allows parents to remain in the workforce, contributes to children's future well-being, and offers families the financial flexibility to plan for their futures—whether that's paying down debt, saving for a home, or even considering expanding their family.

In fact, we are excited to share that, as of January 1, 2025, child care fees for infants, toddlers, and preschoolers will be further reduced to just \$22 per day. This reduction marks another step toward making high-quality, affordable early learning a reality for all families.



While the CWELCC system is still evolving, with challenges such as long wait lists and the need for increased staff compensation being top priorities, we have much to be grateful for. Early learning and child care are now central to discussions at all levels of government, and in the media. As you gather around the Thanksgiving table this weekend, take some time to talk about the value of high-quality early learning and care and to share how it has made a difference in your life. Your voice helps ensure that the importance of affordable, accessible child care continues to be heard at every level.

Thank you for your continued trust in us and for being part of this journey toward building a stronger, more accessible child care system for all.

Warm regards,

A handwritten signature in black ink that reads "Lori Prospero". The signature is written in a cursive, flowing style.

Lori Prospero  
CEO

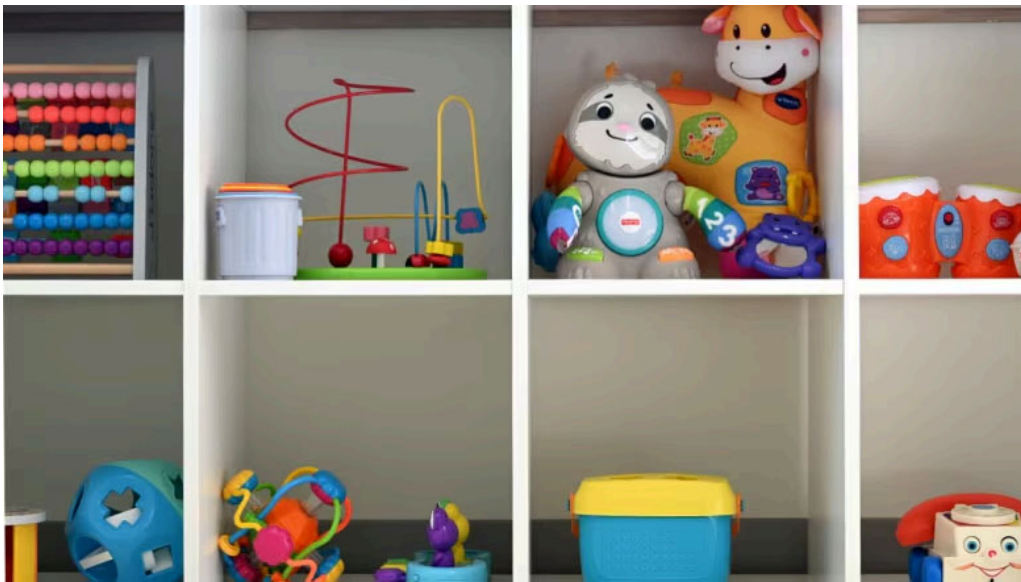
News article attached

Toronto

## Ontario daycare operators warn of looming rolling closures

Group of largely for-profit operators say they will close for unspecified amount of time the week of Oct. 21

[Naama Weingarten](#) · CBC News · Posted: Oct 10, 2024 4:00 AM EDT | Last Updated: October 10



Closures that are set for the week of Oct. 21 are expected to hit Toronto, Peel, York, Halton, Barrie, Muskoka, Durham and potentially other regions. (Pascal Raiche-Nogue/CBC Radio-Canada)

[comments](#)

A group of daycare operators are threatening a week of rolling closures that could affect parents across Ontario to call on the province to hold off changes to its child-care funding formula.

The group is mostly made up of for-profit daycare operators, who say the closures set for the week of Oct. 21 will hit Toronto, Peel, York, Halton, Barrie, Muskoka, Durham and potentially other regions.

"It's the only thing that's going to make our voices heard," said Lisa Todorovic, a daycare operator in Toronto who plans to take part. Her daycare, Little Footsteps

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per day by March 2026.

Instead of the old formula that covered the money parents were saving when daycare costs were slashed as part of the federal \$10-a-day program, the new formula will see operators get a main pool of funding based on factors like location, number of spaces and age groups they serve.

Daycare operators who spoke with CBC said they support more affordable daycare, but this funding approach won't work for those with unconventional costs.

They say if their protests don't lead to change, they may close for good, opt out of the national \$10-a-day program, or significantly downgrade their offerings.

***WATCH | Ontario cutting funding to some daycares:***



**Ontario to cut funding from daycares not in \$10-a-day program**

▶ 1 month ago 2:13

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

Members of the group said it will be up to each operator to notify parents about potential rolling closures.

That includes Anya Kerr, the operator of Stepping Stone Early Learning Academy in Muskoka.

"We have to cut at least possibly three staff that would normally be in our programs as extra support," said Kerr, who oversees 85 child-care spaces split between her two centres.

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Anya Kerr, the operator of Stepping Stone Early Learning Academy in Muskoka, at a rally held Oct. 5 to protest the new funding formula (Anya Kerr)

## Operators say new formula is too vague and limiting

On top of the baseline funding operators will receive under the new plan, they will also get an additional eight per cent in lieu of profit from the provincial and federal governments. As well, those that want to expand could receive top-ups, and there will be legacy top-ups for operators whose eligible costs go above the standard.

But operators taking part in the closures said the government's guidelines are too vague, leaving it unclear which of their expenses would be eligible under the new plan. Some worry the plan won't cover things that make their centres stand out, like parties for families or extra staff.

Salima Rawjee, the operator of Little Learners Academy in Toronto with 54 child-care spaces, also plans to take part in the rolling closures.

"We will be cookie-cutter child-care centres," she said.

- [Daycare says Ontario's funding model threatens it with closure](#)
- [Ontario reduces child-care fees, creates new funding formula](#)

In a statement, Education Minister Jill Dunlop said she's talked to operators, parents and her federal counterpart.

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In a statement, a spokesperson for the federal Minister of Families, Children and Social Development said Ontario's new rules "allow for operators to make healthy profits, but not excessive profits off hard working families trying to find a spot for their kid."

***WATCH | Daycares look at wage cut to grapple with funding issues:***



**Hundreds of daycare workers facing wage cut amid funding shortfall**

▶ 3 months ago 2:34

A major daycare operator in Toronto says it has no choice but to cut employee wages due to a lack of funding. The Learning Enrichment Foundation has 25 locations in the Greater Toronto Area and serves nearly 2,000 children. CBC's Lane Harrison has the story.

Genevieve Lemaire said: "These operators can't expect a free ride with taxpayer money."

But the daycare operators who spoke with CBC disputed that characterization.

"It's not about the money, it's about doing the best for the kids we care for," said Kerr.

Operators unhappy with their allocated funding can apply to have it recalculated. But Kerr said the overall administrative burden means staff will spend less time with kids and more time trying to justify their expenses.

"[My supervisor] should be supervising. Instead she's been tied to the office desk," Kerr said.

## **Non-profit operators not as affected**

Carolyn Ferns, a policy co-ordinator from the non-profit Ontario Coalition for Better Child Care, says the bulk of the current complaints come from for-profit operators.

"It's kind of a hard pill to swallow to hear a for-profit owner saying that they want to have essentially full control over their business ... make as much profit as they want, but still be in receipt of public funding, no questions asked," she said.

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Carolyn Ferns, a policy co-ordinator from the Ontario Coalition for Better Child Care, says the bulk of the current complaints are coming from for-profit operators. (Carolyn Ferns)

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Ferns said non-profit operators shouldn't be as affected by the new changes as for-profit ones.

Linda Cottes, a senior vice-president at the YMCA of Greater Toronto, said the new funding formula is an important step forward.

"It's early days, however we believe this will help alleviate the shortfalls our Y previously faced."

- [\*\*Feds blame Ontario as some daycare centres pull out of national child care program\*\*](#)
- [\*\*Impending closure of west-end Toronto daycare leaves parents of 175 children scrambling\*\*](#)

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