

InfoBackgrounder

The Proposed Child Care Allowance

Allowance Details

A \$1200 benefit for each family for each child under 6 and a tax incentive to create day care spaces.

It is a taxable benefit which reduces the amount most families would receive.

The contribution would be allocated to the lower-income parent of a couple: thus the stay-at-home parent would receive the full benefit, no tax. Therefore, if this couple's total income is \$100,000, and the mother doesn't work, the family receives the full \$1200.

A couple together earning about \$18,000 each (\$36,000 in total) would end up with a net Child Care Allowance of just \$388.

Single parent households where the parent has to work would be fully taxed.

Source: Caledon Institute of Social Policy www.caledoninst.org

Examples of some provinces' Agreements in Principle

Saskatchewan – Learning Minister Deb Higgins formally expressed her government's dissatisfaction with the federal government's announcement to cancel the early learning and child care agreements with provinces which would have provided \$146 million over five years to Saskatchewan families

Key points of the made-in-Saskatchewan plan included:

- Extending pre-kindergarten to all four-year-olds;
- Adding hundreds of new licensed child care spaces;
- Increased professional development opportunities for early childhood educators.

Alberta's approach included a range of programs and services and emphasized strategies that linked homes and communities and intended a support of kin-child care programs (families)

Newfoundland had negotiated an approach that recognized the different needs in urban and rural communities. It would have liked to establish high quality early childhood learning environments to stimulate children's development and provide a foundation for later school success.

You can read the actual agreements in principle of each province by going to the federal Human Resources and Social Development website and searching *Agreements in Principle*.

(www.sdc.gc.ca/en/home.shtml)

Thank you,
Patricia Parulekar, National Director
April 2006, Ottawa

Status

Only Ontario, Manitoba and Quebec were able to sign agreements before the writ was dropped. Quebec's agreement was an existing accord.

The rest of the provinces have agreements in principle, the territories did not sign anything.

CMEC

At present, the Council of Ministers of Education, Canada, has no formal position.

Issues

Because of different economic and demographic situations, no two provinces, or even regions, have the same needs. Some do need a direct-to-parent cash contribution, some need infrastructural support. All agreements-in-principle indicated a multi-program approach.

The Conservative proposal tries to respect those differences with the cash contribution and a tax incentive to create day care spaces, however, there is a concern about the ability of tax incentives to create high quality child care that ensure the child is prepared to enter school.

Furthermore, many provinces have begun or are planning significant investments in early childhood care and have created significant expectations within their own provinces for services which are now in doubt.

CSBA Position

Each CSBA member association has different needs. As a consequence, at the recent February Board meeting, the CSBA Board decided to urge the federal government to regard this issue as an opportunity to develop innovative, creative policies that respect 1) individual provincial needs and, 2) enable individual provinces to support the spectrum of needs within their jurisdiction.

The CSBA will urge the federal government to embark on a cooperative model of working with the provinces, who do have the expertise and experience, in delivering effective and comprehensive social programming and services.