

FEDERAL ECEC PROGRAMS AND FUNDS

Under Canadian constitutional arrangements, it is assumed that early learning and child care (ECEC) fall under provincial/territorial jurisdiction; this is generally the practice. However, there are a number of ECEC programs for which the federal government takes direct responsibility including ECEC services under federal aegis intended for populations for whom the federal government has particular responsibility (Aboriginal people, military families, and new immigrants and refugees), maternity/parental leave benefits and a tax deduction for child care expenses. Table 1 describes ECEC programs for which the federal government is responsible.

In addition, since 2003, the federal government has provided several different transfer payments earmarked for early learning and child care under federal/provincial agreements; these may be through the Canada Social Transfer. These are identified in Table 2; some details of provincial/territorial spending of these is found in each p/t section.

TABLE 1 ECEC and related programs under federal aegis

| Program | Department | Objective | Eligibility | Spending |
|--|------------------------------------|--|--|---|
| Child minding component of the Language Instruction for Newcomers to Canada (LINC) | Citizenship and Immigration Canada | To cover the costs of licensed child care or on-site child care while parents or guardians take language training and to offer children “an opportunity to learn some English or French in a safe environment”. | Primarily serves children 6 months – 6 years to support service provider organizations that provide Language Instruction for Newcomers to Canada (LINC) programs. | n/a ¹ |
| Military Family Resource Centres (MFRCs) | Department of National Defence | To promote and facilitate community-based family services that strengthen Canadian Forces families and communities. Centres offer a wide variety of programs for families, including emergency child care, respite child care and casual child care. | Member of a military family. Military family resource programs are incorporated as not-for-profit agencies governed by boards of directors. In 2005, there were 41 MFRCs in Canada, Europe, the UK and the US. | \$4M (Spending for 0-6 years) (2005/06) |

¹ A total of \$93,561,000 was spent on LINC programs in 2005/06 of which child minding is just one part. No breakdown is available.

| | | | | |
|---------------------------------------|--|---|--|---------------------------------|
| Child Care Expense Deduction | Canada Revenue Agency | To recognize and offset child care costs incurred by parents who work, carry on a business or pursue education. | Individual tax deduction. Deduction of up to \$7,000 for children under 7 and \$4,000 for children aged 7-16. Receipt may be requested by CRA. Claimed by 1,099,240 million tax filers in 2005/06. | \$545M (2005/06) |
| Maternity/ Parental Leave Benefits | Human Resources and Social Development Canada | To provide temporary income replacement for working parents of newborn or newly adopted children, providing the flexibility to stay home during their child's first year of life. | Female and male parents eligible under Employment Insurance rules. Maternity benefits are available to mothers in the 15 weeks surrounding childbirth and parents can access 35 weeks of parental benefits, for a combined total of 50 weeks ² . | \$2.967B (2005/06) ³ |
| Community Action Program for Children | Public Health Agency of Canada (Note that CAPC provides a variety of programs which, in some regions, are family resource programs.) | To provide funding to community-based groups and coalitions to develop and deliver programs that promote the health and social development of children under age 6 facing conditions of risk, and their families. | Community coalitions providing specified programs for children: in low-income families; in teenage-parent families; at risk of, or experiencing developmental delays, social, emotional/behavioural problems; and/or exposed to neglect or abuse. There were approximately 440 CAPC projects across Canada in 2005/06. | \$60.9M (2005/06) |

Source: Government of Canada (2007, forthcoming). *Early childhood development activities and expenditures: Government of Canada report 2004-2005 and 2005-2006/Early learning and child care activities and expenditures: Government of Canada report 2004-2005 and 2005-2006*. Ottawa, ON: Author.

Note: Federal ECEC programs for Aboriginal children are described in Table 3, *Aboriginal ECEC programs*.

² On January 1, 2006 the Government of Quebec introduced its own parental insurance plan, replacing EI maternity and parental benefits. See QUEBEC section for details.

³ In 2005/06 the expenditures are \$903,000,000 for maternity benefits and \$2,064,000,000 for parental benefits.

TABLE 2

Federal transfer funds designated for early learning and child care. All provinces/territories by program by fiscal year 2003-2009 (\$ millions)

| Program | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|---|---------|---------|---------|---------|---------|
| Multilateral Framework Agreement | 25 | 150 | 225 | 300 | 350 |
| “Foundations”: Bilateral agreements | | 200 | 500 | 650 | |
| Child care spaces: 2007 federal budget | | | | | 250 |
| TOTAL transfer \$ designated for ELCC | 25 | 350 | 725 | 950 | 600 |

Note: In addition, \$300 million in 2001/02, \$400 million in 2002/03, \$500 million in 2004/05, and \$500 million in each fiscal year thereafter was transferred to provinces/territories under the Early Childhood Development Agreement (ECDA). These funds may be used for early learning and child care if a province/territory chooses.

Note: Most but not all of the funds in this chart are included in the Canada Social Transfer, a block fund intended for social programs. The full CST fund (cash portion) transferred to provinces was worth \$8.3 billion in 2004/05; \$8.4 billion in 2005/06 and \$8.5 billion in 2006/07. The 2007 federal budget announced a steep increase in the CST so the cash portion totals \$9.5 billion in 2007/08 and \$10.8 billion in 2008/09.

Sources: MFA and bilateral agreement figures – Department of Finance website: *Federal Support for Early Childhood Development and Early Learning and Child Care*. <http://www.fin.gc.ca/FEDPROV/ecde.html>

2007 budget figures – Department of Finance website: *Federal Support for Children*. Retrieved May 2007 from <http://www.fin.gc.ca/FEDPROV/fsce.html>

Maternity and parental leave benefits

While the length of maternity and parental leaves and the conditions determining terms and eligibility are provincially determined under labour legislation, the benefit that pays eligible parents for portions of these leaves falls under the federal Employment Insurance legislation. First included in the then-Unemployment Insurance Act in 1971, the length of the federal benefit has increased a number of times in the intervening years. A notable increase occurred in 1989 when benefits for parental leave (either parent) were added to maternity leave benefits reserved for birth mothers.

Most recently, the federal government increased the parental leave portion of the benefit to 35 weeks in 2001. Under these rules, maternity benefits of 15 weeks and the new parental benefit of 35 weeks to a total of 50 weeks will be paid at 55% of insured earnings up to a maximum of \$423 a week to eligible parents⁴.

The eligibility requirement is 600 hours of insured work within the past 52 weeks.

In 2005/06, spending for the federal benefit was:

| | |
|-----------|-----------------|
| Maternity | \$903,000,000 |
| Parental | \$2,064,000,000 |
| Total | \$2,967,000,000 |

Source: Government of Canada, (2007, forthcoming). *Early childhood development activities and expenditures: Government of Canada report 2004-2005 and 2005-2006/Early learning and child care activities and expenditures: Government of Canada report 2004-2005 and 2005-2006*. Ottawa, ON: Author.

The number of initial maternity leave benefit claims for 2005 may be found in each provincial/territorial section together with the number of births for 2005.

⁴ On January 1, 2006 the Government of Quebec introduced its own parental insurance plan, replacing EI maternity and parental benefits. See QUEBEC section for details.