

Increased minimum wage means 'large number of families' no longer eligible for childcare subsidy ^[1]

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EXCERPTS

Need for changes to childcare subsidy program 'urgent,' says Early Childhood Development Association

P.E.I.'s Early Childhood Development Association says the 25 cent increase to the minimum wage this week has created an "urgent need" for the province to overhaul its childcare subsidy program.

The province's minimum wage jumped for the third time in the past year on April 1, to \$11.25/hour

"Because of the additional increase to minimum wage, this needs to be addressed ASAP, and not later in the spring or summer," said Sonya Hooper, the association's executive director. "This leaves a large number of families unable to access the [subsidy]."

Subsidy program under review a year ago

Last April, Family and Human Services Minister Tina Mundy said the childcare subsidy program was under review, partly, she said, because income levels required for qualification "haven't been adjusted in many, many years."

Nearly a year later, while P.E.I.'s minimum wage has increased by \$0.75, no changes have been made to those income levels.

For example, in order to qualify for a full subsidy of up to \$34 a day, a single parent with one child needs to make below \$1,453.34 a month, net.

Hooper said a minimum wage earner working full time hours now makes hundreds of dollars more than that each month.

"This increase in minimum wage will make it a little more challenging for those that are barely making that income ceiling as it is" she said.

"The threshold has to change in order to have more families be able to access that program and help them out."

Changes coming, says department

The number of Island children accessing the subsidy has dropped off in recent years — from roughly 2,000 children in 2011 to 1,500 children in each of the last two years.

The province has used that reduced access to justify shrinking funding for the program by 20 per cent over the last two years, despite a commitment by the Liberals in their 2015 election platform to increase funding.

In an e-mail to CBC, a spokesperson with the Family and Human Services Department says government is still committed to increasing funding by \$300,000 "during this mandate."

The department also says a working group is still carrying out a review of the childcare subsidy program, and is expected to complete recommendations this spring.

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