

Child care subsidy increased for low income families ^[1]

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Text of press release:

Higher child care subsidy rates for low income families were announced today, Feb. 2, by Community Services Minister David Morse.

The announcement follows the first phase of a review that began in 2004. The goal of the review is to develop a program that provides as many eligible low income families as possible with a subsidy that is supportive to families and fair to child care centres.

"Child care subsidies are a critical support to lower income parents who work or go to school," said Mr. Morse. "We recognized the program needed an overhaul, and have been working with child care representatives to develop subsidy rates that better reflect child care costs."

The new daily maximum subsidies for full-day child care range from \$22 for infants to \$17.70 for school-age children, and include a \$2.25 daily parent fee.

The new rates are stepped to reflect the higher cost of caring for younger children, and replace the former flat rate that was provided regardless of the age of the child. Increases in daily subsidies range from \$1.30 to \$4.30 per day. The new rates were effective Jan. 1, and will increase the subsidy budget by \$700,000 per year.

"Our work to date has been an important first step in improving the subsidy program in Nova Scotia," said Elaine Ferguson, executive director of Child Care Connections, an organization representing licensed child care centres. "We will now work together to make improvements in other areas of the program."

The rates were developed by a working group of child care representatives and Department of Community Services staff. The group will now look at the operational grants that are provided to centres and improve eligibility so more parents have access to subsidies.

In the interim, a \$200,000 grant will be distributed among licensed full-day centres that provided subsidized child care in 2004-05. Recommendations are expected in spring 2005 to streamline and enhance the existing grants in anticipation of new federal funding for child care.

Working group member Leanne Marchand of Cape Breton said the interim funding is a short-term measure while the group examines how grants are provided to child care centres. "We look forward to working on improvements to the operational grants, recognizing they are an important support to child care centres," said Ms. Marchand.

"These subsidy increases are good news for Nova Scotia families," said Shane Richard working group member and child care operator from Truro. "We have more work ahead and expect other improved supports for families and child care centres in the near future."

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