

Daycare affordability program falls victim to Ford government's funding cuts ^[1]

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EXCERPTS

Jennifer Devine is angry about losing a local program that reduced her family's cost of licensed child care by \$12 a day, and she questions whether a new provincial tax credit will fill that gap.

"Peel's program was easy to understand and now the province is adding another change," the Mississauga mother said. "I don't even know how much the tax credit will be worth for us."

Devine is among about 12,000 parents in Peel who will see their fees jump by as much as \$275 a month on May 1 when the region ends its child care affordability program due to provincial funding cuts.

But many parents may be able to recoup some or all of that increase through Ontario's new CARE child care tax credit when they file their 2019 taxes, said Olivia Nunes, Peel Region's acting director of early years and child care services.

"The program end date ... was selected to align with the introduction of the provincial child care tax credit in an effort to mitigate the impact to parents," Nunes said in a statement Wednesday.

Devine, whose middle-income family doesn't qualify for a child care subsidy, said the regional program for parents who pay full fees allowed her to put her 2 1/2-year-old son Declan in regulated care "without sacrificing our quality of life."

The program's demise means Devine and her husband Kevin Besley will see their monthly child care fees rise from about \$700 to almost \$1,000, an increase that will cost them \$3,024 a year.

A calculation by the province's independent Financial Accountability Office, requested by the Star, shows her family's tax credit would be about \$2,500 — about \$500 less than what she was getting from Peel.

In the legislature Wednesday, NDP child care critic Doly Begum slammed the Ford government for making life more difficult for Ontario families.

"The cost of child care here in Ontario is out of control. Parents across the province are often spending more on child care than their mortgages or rent," she said.

"Conservative cuts mean that Peel Region has had to cancel their reduced child care fees initiative — a program that many families rely on to make ends meet," said Begum (Scarborough Southwest).

Education Minister Stephen Lecce blamed the previous Liberal government for the high cost of child care and said the Progressive Conservative government's tax credit will make child care more affordable for more than 300,000 Ontario families.

"Unlike any political party in this province, we are supporting a tax credit directly to working parents, putting money in their pockets to make the best decision for their child's future, up to 75 per cent of child care expenses," he said.

However the Financial Accountability Office in September said the \$390 million CARE credit — aimed at offsetting child care expenses for children under age 16 — would provide an average of just \$1,300 a year to eligible families, with most of the money going to upper-income households.

Under Peel's program, which began in January 2018, parents with children under age 4 in full-time care were eligible for a fee reduction of \$12 a day or \$3,024 a year.

Children in part-time care were eligible for a \$6-a-day cut in fees, or \$1,512 a year. Nunes said \$5.4 million in provincial funding cuts to Peel this year meant the region could no longer afford to offer the program.

The region is working on a "revised affordability strategy" but is waiting on provincial multi-year funding "to ensure the new program is sustainable for Peel families and child care providers," she said.

Peel has among the highest child care costs in the country with average annual fees of about \$26,760, or about 35 per cent of median household income, according to the region.

At least six Ontario municipalities launched local affordability programs with funding from the three-year bilateral child care agreement the province signed with Ottawa in 2017, said Carolyn Ferns of the Ontario Coalition for Better Child care.

All but two — Hamilton and Windsor — have ended their programs due to Ford government child care cuts of almost \$49 million this year, she said. And Hamilton and Windsor have notified parents their programs may be also be at risk.

“If you live somewhere like Peel, housing costs are high, living expenses are high and child care is just through the roof,” said Ferns. “These programs were meant to be doing something for full-fee-paying families. And now they have nothing.”

Ontario’s new child care tax credit only covers annual costs of up to \$8,000 for kids under age 7 — much less than what many parents in the GTA pay for infant, toddler and preschool care, she noted.

Municipalities were committed to increasing their fee reduction programs as senior government funding increased, Ferns said.

Shifting provincial child care funding into tax credits for any type of care, including nannies and camps, will do nothing to support high-quality licensed child care and chronically underpaid early childhood educators, she added.

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