

Federal funding to increase Alberta child-care subsidies for first time in 12 years ^[1]

Money will boost child-care subsidies for low-income parents, Alberta minister says

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EXCERPTS

The Alberta government is changing its system of child-care subsidies, which sparked a political war of words about whether families stand to gain or lose.

The federal government announced Thursday it is giving Alberta \$45 million for subsidies, accessibility of care and training for child-care workers this year.

"Particularly in these times, families need to have access to safe, affordable, and accessible child care," federal Minister of Families, Children and Social Development Ahmed Hussen said via video link. "This is more than a convenience, it is quite simply a necessity."

Alberta Children's Services Minister Rebecca Schulz also unveiled the United Conservative Party government's new approach to subsidizing child care as it phases out the former NDP government's flagship \$25-a-day childcare pilot program.

"Getting parents back to work truly is a huge part of Alberta's economic recovery plan — a bold, ambitious, long-term strategy to build, diversify and create jobs," Schulz said.

Schulz said the funding will help improve accessibility and affordability of child care at a time when Alberta's unemployment rate hit 15.5 per cent in June.

A new system will begin Aug. 1 that will see parents and guardians of 28,000 children qualify for increased subsidies, Schulz said. That's about a quarter of the children who were enrolled in programs, pre-pandemic.

Government says no one will lose subsidies

Currently, a single parent of a child between the ages of 19 months and Grade 1 would receive a maximum \$546 monthly subsidy for a licensed daycare spot. Under the new program, parents earning \$50,000 or less will receive a subsidy of \$644 per month. Subsidies for infants and school-age children are also rising.

The program will also cap eligibility for subsidies at \$75,000 family earnings. The current cap varies based on how many people are in the household.

However, the \$25-a-day pilot child-care programs supported by a previous provincial-federal funding agreement will end. Programs including about 1,300 children will end next week, and the funding for another 6,000 children will end on March 31, 2021.

NDP Children's Services critic Rakhi Pancholi said some families enrolled in the NDP pilot program who also qualified for subsidies paid almost nothing for child care. When the programs end, their costs will go up.

The government counters that the 23,000 lowest-income families will pay an average of \$13-a-day for child care.

Schulz's chief of staff, Brock Harrison, said in an email no families currently eligible for subsidies will lose them. The families of about 100 children who earn more than the new threshold will be grandfathered into the new program.

"I will not apologize for using tax dollars, that under the NDP subsidized child care for some of Alberta's highest income earners, to help more single parents and other middle-income families afford child care," she said in an exchange with Pancholi in the legislature Thursday.

An external report on the NDP's pilot program found the affordability of child care was a "huge issue" for middle-income earners.

"We know that right now, most families are really struggling to afford child care," Pancholi told reporters.

"Child care for two children, full time, in a city like Edmonton or Calgary, is over \$2,000 a month. That really means that parents are being asked to pay the equivalent of a mortgage payment or more or their rent. And that's unaffordable for many, many Albertans."

Pancholi also said the NDP's approach created thousands of new daycare spaces. The UCP government plan will create 385.

Small step in the right direction, operators say

The elimination of the \$25-a-day program could mean a big jump in expenses for Billie MacFarlane.

She has a six-year-old daughter and four-year-old triplets who are usually in daycare at Jasper Place Family Resource Centre. She pays \$400 a month. That discounted rate will end next March.

Subsidized care at another centre would cost around \$1,200 a month, she said.

If she has to pay that much for child care, it will mean no swimming or sports lessons for her children, less nutritious choices at the grocery store and other budget cuts that will affect their quality of life.

"If I'm going to be going to work, then I'm going to be paying more," MacFarlane said. "I'm going to be buying gas. I'm going to be paying taxes. If I sit at home, I'm going to be collecting EI or whatever other subsidy that I get so that I can feed my kids, and not giving back in that respect. So the \$25-a-day daycare, in my belief, helps the economy as a whole."

Child-care centre advocates said they were pleased to see subsidies rise for the first time since 2008.

Also helpful, said Staci Wilson, chair of the School Age Care Directors Association of Alberta, would be the elimination of requiring children to attend a minimum number of hours to qualify for the full subsidy.

Tallying the hours of subsidized kids is extra red tape for after school care managers and discourages parents from picking their children up early when they can.

Anita Turna, chair of the Alberta Association of Child Care Operators, said the subsidy isn't as high as she'd like, but it's a step in the right direction.

She was also happy to see the government temporarily increase subsidies for school-aged children this summer.

The Alberta government had previously planned to spend \$390 million on child care in the 2020-21 budget year.

The new \$45 million in federal funding will be directed to three areas:

- \$29 million for child care subsidies
- \$9.7 million to increase accessibility to child care for children with disabilities, in underserved communities and with Indigenous and Francophone language and culture
- \$4.7 million for online training for early childhood educators

The remainder of the money will be used for administration, staffing and information technology.

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