

New report on Manitoba childcare suggests higher-income parents should pay more ^[1]

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EXCERPTS

WINNIPEG -- A new report on daycare in Manitoba says lower- and middle-income families should pay less while higher-income parents should pay more.

The provincial government commissioned the 62-page report done by KPMG which contains 10 recommendations.

It suggests the province consolidate daycare operating grants, childcare subsidies and other funding to provide more financial assistance to parents, known as a parent-based funding model.

It says the province could consider offering the subsidy when payment is due, through a tax credit or both.

Parent fees would be increased, but childcare costs would be capped as a portion of total income.

"This would help make childcare affordable for a greater range of Manitobans," KPMG said.

In one scenario, the report outlines the breakdown of a regulated \$30 per day fee.

A household making between \$51,641 and \$70,610 would pay no more than 2.5 per cent of their income. On the flip side, a household earning above \$105,916 would pay no more than 10 per cent of their income.

The Manitoba Child Care Association (MCCA) worries the changes suggested in the report could actually lead to an increase in costs for parents because daycare operators could choose fee amounts.

"This would make things less affordable for families," said MCCA Executive Director Jodie Kehl.

To create more spaces, the report also recommends "targeted" and one-time funding to "incentivize" new or existing daycares to open or expand.

The report also said more flexible daycare options such as seasonal, casual, evenings, weekends and overnight, are needed for families.

"So that parents can combine parenting with the other activities they have to and want to do, and particularly that enables parents to prepare for and take up available employment opportunities," KPMG said.

The province recently introduced legislation allowing for more flexible hours and it froze parent fees for three years in response to the economic impacts of COVID-19.

A spokesperson for Families Minister Rochelle Squires said in a statement this is not the time to raise parent fees but did say the report will be helpful in transforming the system.

"Though we don't agree with the parent fee proposal, there is merit in many of KPMG's other recommendations," stated the spokesperson.

Region: Manitoba ^[3]

Tags: parent fees ^[4]

Source URL (modified on 14 Apr 2021): <https://childcarecanada.org/documents/child-care-news/21/04/new-report-manitoba-childcare-suggests-higher-income-parents-should>

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