

Can Trudeau, Ford cut a deal on child care? ^[1]

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EXCERPTS

If you're Justin Trudeau, the trick to turning Liberal child care promises into a concrete national program is getting provinces onboard. The lynchpin is Ontario. So can Mr. Trudeau make Premier Doug Ford an offer he can't refuse?

This particular promise isn't like typical platform pledges that get dangled in front of voters during an election campaign. The Liberals have promised a national child care program so many times that they need it to be a real thing – and then they can tell voters the Conservatives would take it away.

The Liberals need provinces. And this time, Mr. Trudeau's government has a powerful bargaining tool: huge sums of money.

The feds are signing deals. British Columbia signed on last week, Nova Scotia this week. Prince Edward Island and Yukon are said to be close. Quebec, because they already have subsidized child care, will make a deal that will mainly mean a payday. But some, such as Alberta's United Conservative government, are not keen.

And Ontario – that's the whale. It's the biggest province. It is run by Tories. Getting Ontario in would signal to voters that the Liberals' child care program will indeed be a national reality. Holdout provinces will be under pressure to take the money. And if Mr. Ford's Tories sign up before the federal election that is expected soon, it undermines criticisms by Erin O'Toole's federal Conservatives of the Liberal plan.

You might expect Mr. Ford's Tories to be cool to Ottawa's plan for a wall-to-wall, \$10-a-day child care plan, and certainly some in his party are. But Mr. Trudeau is offering scads of federal cash – in proportions well beyond your typical federal-provincial deal. And Mr. Ford is already promising more child care spaces, and more affordable ones.

There's even a chance Mr. Ford's team will sign up before the election campaign, because they know Mr. Trudeau's government wants it done, and might be willing to make a better deal before the campaign – not more child care cash, but flexible conditions, and possibly a side deal on something else, such as funding for a steel mill or an electric vehicle plant.

The deals that Ottawa has already done make it pretty clear that Mr. Trudeau's government wants provinces on board fast.

British Columbia's NDP Premier John Horgan had already promised a \$10-a-day child care program, and the deal he just signed with the feds amounted to Ottawa saying, "Yes, please, and here's the money to pay for it."

B.C.'s commitments to do things such as create 30,000 new child care spaces by 2025-26 are couched in weasel words such as saying they "aspire to" meet certain goals, like a "typical parent fee" of \$10 a day. There is a joint implementation committee, and data-reporting requirements, but there's wiggle room.

In return, the province will get an estimated \$3.2-billion over five years – ramping up to \$911-million in 2025-26, more than the province spends per annum on child care now. That's roughly \$6,200 for each of the existing 117,000 licensed child care spaces in B.C., plus the 30,000 the province plans to create in five years.

Mr. Horgan gets to tell parents he will slash fees this year, and expand subsidized spaces after that. The federal money can be applied to lower fees at for-profit, as well as not-for-profit, facilities. The deal says federal money can't be used to displace existing B.C. spending, but it doesn't tie B.C. down to specific provincial spending increases.

Can Mr. Ford turn down a deal like that?

There is, of course, only one taxpayer footing both federal and provincial bills. But this is politics, and premiers, as a rule, like to offer services but not raise taxes.

Ontario is already expressing concerns about what happens after the five-year deal is up – a legitimate worry, as history shows Ottawa likes to fund new programs but is less interested in keeping up the payments. Some of Mr. Ford's MPPs don't care for subsidized child care as a matter of political principle, and prefer to tout Ontario's \$1,500 child care tax credit. Subsidized child care doesn't fire up the Tory base.

But then Mr. Ford is a populist, and he wins elections in suburbs. His government is already promising to create 30,000 new spaces and make fees more affordable, and a deal that brings federal money to do it. Mr. Ford and Mr. Trudeau have each run campaigns attacking the other, but since the pandemic, co-operation seems to be more popular. Mr. Trudeau might make a child care deal too good to refuse.

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