

Quebec and Ottawa reach agreement on financing daycare centres ^[1]

An infusion of billions of dollars in federal payments is expected to allow the creation of 22,000 new daycare spots.

Author: Richer, Jocelyne

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EXCERPTS

Quebec should soon be able to complete its network of daycare centres under an agreement reached in the last few days with the federal government.

The announcement should be made in Montreal on Thursday, in the presence of Premier François Legault and Prime Minister Justin Trudeau, according to information obtained by Presse Canadienne on Tuesday.

The Trudeau government wanted negotiations with Quebec to go quickly, in anticipation of the possible call of a general election before the end of the summer, sources said. Ottawa immediately accepted Quebec's position, which included not having any conditions imposed on it at this point relating to the transfer of billions of dollars from the federal government.

The federal government made a commitment in its last budget to create a nationwide program of daycare centres at \$10 a day. The \$30-billion program was inspired by the Quebec model of early childhood centres (CPEs). Since Quebec already set up its own network of reduced-contribution educational child-care services in the 1990s, it will not have to adhere to the federal program, and can instead receive financial compensation from the federal government.

The details of the agreement have not been released, but in April Quebec said it expected to receive a federal transfer totalling approximately \$6 billion over the next five years, given its population.

Finance Minister Eric Girard said at the time he expected to receive just under \$1 billion this year and nearly \$2 billion in 2025-2026. He also said he had already obtained the assurance of his federal counterpart, Chrystia Freeland, that the transfer would be "unconditional."

When questioned previously on the subject, Legault has refused to commit to devoting all future sums to the child-care network. But it is accepted that at least part of the federal fund will be reserved for the creation of places.

The expected announcement comes at a time when the Quebec network of child-care services is going through a major crisis, grappling with a shortage of places, the recent closure of many family daycares and a worrying lack of child-care workers. The waiting list for a daycare spot has grown to an unprecedented 50,000 names.

The daycare agreement would also confirm that it is possible to conclude federal-provincial agreements with an asymmetric model, allowing Quebec to assert its identity without losing money. Legault and Girard reminded their counterparts that this is a provincial jurisdiction, extolling the merits of an asymmetric agreement.

Quebec already devotes nearly \$3 billion per year to its network of daycare centres. The federal transfer should allow Quebec to create 22,000 new places. It's estimated that this should be sufficient despite the number of applicants on the waiting list, because many parents put their name on the list to obtain a place in a CPE at \$8.50 per day even if they already have a place elsewhere.

It's too early to say whether all the new spots would go to the CPEs or to the conversion of non-subsidized daycares into subsidized centres.

In recent months, the federal government has entered into agreements with several provinces to implement its program and develop child-care spaces at \$10 per day.

Region: Quebec ^[3]

Tags: federal budget ^[4]

bilateral agreement ^[5]

Links

[1] <https://childcarecanada.org/documents/child-care-news/21/08/quebec-and-ottawa-reach-agreement-financing-daycare-centres> [2]

<https://montrealgazette.com/news/local-news/quebec-and-ottawa-reach-agreement-on-financing-daycare-centres> [3]

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