

Insiders say Ottawa may add millions in funding to convince Ontario to join national day-care program ^[1]

Ottawa is looking at spending hundreds of millions more to create additional child care spaces in a move to secure Ontario's signature on the federal government's national program, the Star has learned.

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EXCERPTS

Ottawa is looking at spending hundreds of millions more to create additional child-care spaces in a move to secure Ontario's signature on the federal government's national program, the Star has learned.

The money would be provided under a separate infrastructure fund, possibly spread over a number of years, pegged to the creation of thousands of spaces, and offered to all provinces based on their share of the population under age 12, according to sources in Ottawa and at Queen's Park.

A top Ontario government official said Prime Minister Justin Trudeau's sweetener in infrastructure funding for new daycare spots across Canada would be a "game changer."

"If (Premier Doug Ford) had signed on two months ago that money wouldn't be there," said the official who spoke confidentially in order to discuss internal deliberations.

"Now that's separate from the child-care deal so Ottawa can still say it's \$10.2 billion" for Ontario, the official said.

While it would be separate from the child care funding program, Ontario's 38 per cent share of the additional infrastructure money allays concern at Queen's Park.

Canada's most populous province has been the lone holdout after the other 12 provinces and territories signed on to the \$27-billion plan that was first unveiled last April. Additional funding to build child care in Indigenous communities brings the total initially committed over five years to \$30 billion.

Ford has said "it's so important to make sure that we have affordable child care for all families right across Ontario," but that any funding arrangement must be sustainable for the long haul.

"We're on track" to reach a deal, likely next week, a senior federal official, who was not authorized to speak publicly, said Wednesday.

"A one-off infrastructure fund could be part of this agreement. It could be spread over a couple of years — it's just not landed yet," the Ottawa insider said.

Senior provincial officials are enthusiastic about the pending accord, which comes in the lead-up to the June 2 election.

"This will cut child-care fees in half in the first year and get us to \$10-a-day in year four," said a second high-ranking Ontario insider, who also could not speak for attribution.

"It means real \$10-a-day child care is attainable and sustainable for the long term," the insider said.

The two sides have negotiated an agreement to set up an early review to determine how well the program is working as of the third year, which "means the feds will have to stay engaged and can't just wash their hands after the five years are up and leave the province footing the bill," the source said.

"It's a longer term commitment."

A federal source, however, said there is no doubt about Ottawa's commitment for the long term, with future funding booked as part of its fiscal plan.

However, a second federal official, speaking on a background-only basis, insisted it was "premature" to announce the new child care infrastructure fund.

“There is no commitment today ... to provide that funding,” the official said.

Sources close to Ford said the premier has worked closely with Trudeau and Finance Minister Chrystia Freeland, who is also deputy prime minister, to get to a deal.

“Chrystia has been key. She and (the premier) have a great rapport and ... really trust one another,” said the source, noting the two cooperated well throughout the COVID-19 pandemic and that has continued on other files.

“You know who else has been great? (Intergovernmental Affairs Minister) Dominic LeBlanc. He is very effective in working with the provinces,” the Tory insider added.

“That’s what the people want — they want politicians working together to get stuff done, not backbiting all the time.”

In a deal struck with the NDP to ensure his minority government survives until 2025, Trudeau committed to introducing an Early Learning and Child Care Act by the end of 2022.

Liberal officials have told the Star that was always the plan, in order to make it more difficult for a future government to cancel the child care funding plan.

As part of the agreement’s pledge to make life “more affordable for people,” the NDP statement about its deal with the Liberals said the new act would ensure that “child-care agreements have long-term protected funding that prioritizes non-profit and public spaces, to deliver high quality, affordable child care opportunities for families.”

Last April, Freeland’s first federal budget committed \$30 billion over five years for the Liberals’ “pan-Canadian” child-care framework.

The program is pegged to reach \$8.3 billion a year, nationally, on a permanent basis “to build a high-quality, affordable and accessible early learning and child care system across Canada.

Ontario’s share of that funding in the fifth year of the program is projected to be \$2.9 billion.

A review in the third year will allow federal and provincial officials to look at data on the program’s uptake and impact, and whether the \$2.9 billion is sufficient for years down the road.

The program requires provinces outside of Quebec, which already had a public daycare program, to cut in half the average fees for regulated daycare spaces by the end of this year. Several provinces which signed on earlier than Ontario have already begun to deliver rebates to parents.

The goal was to put in place \$10-a-day daycare across Canada by the fifth year.

When she tabled the budget last year, Freeland said her goal was to increase the number of parents, especially women, entering the workforce.

She pitched it as an economic growth plan, saying the addition of 240,000 workers in the labour force that could arise from greater access to high quality daycare could raise real GDP by as much as 1.2 per cent over the next two decades.

Region: Ontario ^[3]

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