

Ontario inks federal child-care deal, retroactive rebates to begin in May ^[1]

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Source: CTV News

Format: Article

Publication Date: 28 Mar 2022

AVAILABILITY

Access online ^[2]

EXCERPTS

The Ontario government has signed a child-care deal with the federal government, a move that will see child-care fees cut in half by the end of the year and rebates retroactive to April 1 handed out to parents in May.

Prime Minister Justin Trudeau and Premier Doug Ford formally announced the details of the agreement at a news conference in Brampton on Monday morning.

In a news release, the provincial government said the deal would result in an average of \$10 a day for child care by September 2025.

Ontario is the last province to ink a deal with Ottawa as part of Trudeau's \$30 billion national child-care program. Their agreement is valued at \$13.2 billion over six years, unlike the five-year deal agreed to by every other province and territory.

It should be noted that the federal government's 2021 budget had already indicated that funding for the national program after the initial five years would be \$9 billion annually.

"We know kids deserve the best start in life. Parents, especially moms, shouldn't have to choose between family or a career," Trudeau said. "A year ago, we said we would build a national system to make child care more affordable and accessible everywhere in Canada. Today, we continue to deliver on that promise."

Also, because the deal was signed before the end of the Canadian government's fiscal year (March 31), the initial investment of \$10.2 billion can be carried over four years instead of five.

Federal officials previously told CTV News Toronto that more than a billion dollars of funding promised to the province intended for the 2021-2022 fiscal year could "lapse" if a deal was not reached by the end of this month.

A review mechanism is also baked into the third year of the deal -- something the provincial government said is unique to Ontario -- which will allow the province to ask for more money in the event of a shortfall.

The first step in the agreement will see fees reduced by up to 25 per cent to a minimum of \$12 per day for all Ontario families with children five years old and younger in participating licensed child care centres, retroactive to April 1, 2022. This means that parent rebates retroactive to that date will be handed out in May.

Parents will see another cut in December, resulting in an average 50 per cent reductions in child-care costs for 2022, the province said.

Fees will drop again in September 2024 and land on \$10 a day for child care by September 2025.

The deal will also see the creation of 86,000 child-care spaces, 15,000 of which have already been in place since 2019. Meanwhile, the province said it will now work to enrol 5,000 licensed child-care centres and home child-care agencies into the program between now and September 1.

Nunavut was the last to sign on to the federal child-care deal before Ontario and finalized their agreement at the end of January. At that time, Ford said the province was "very, very close" to putting pen to paper on an agreement.

"It's a great deal for Ontario parents and the right deal for Ontarians," Ford said on Monday. "It's a deal that provides flexibility in how we allocate federal funding, flexibility that was critical to making this program work in Ontario."

Alberta joined in November, New Brunswick and Northwest Territories in December, and seven other provinces and Yukon signed on in July and August, before the federal election was called.

Asked if other jurisdictions, which have already signed on to the national plan, had received a "bad deal" due to Ontario's \$13.2 billion valuation over six years, Trudeau underscored that each province and territory signed the "same quality of deal."

“The focus that we had is respecting and understanding that every province has a different system coming into this deal and that requires different levels of flexibility,” Trudeau explained. “Ontario, for example, wanted in writing the deal for the sixth year, and we were happy to sign that.

“Ontario’s allocation was \$10.2 billion, as we calculated it almost a year ago, and that’s exactly what the deal is,” he said.

Region: Ontario ^[3]

Tags: Canada-wide agreement ^[4]

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