

Province botched subsidy rollout, child-care coalition says ^[1]

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Six-digit sums of cash intended to reduce child-care costs for families across Manitoba have sat untouched for months owing to the “botched” rollout of a program to cut average fees in half before the year ends.

Lori Isber, chair of the Fort Rouge Child Care Centre in Winnipeg, said her organization has more than \$200,000 languishing in the bank instead of contributing to reduced fees for families.

And the Fort Rouge Child Care Centre isn't the only facility with the unwanted surplus, she said. Many other child-care centres are scrambling to disburse the cash — some with as much as \$500,000 in the bank — to families to meet new deadlines imposed by the provincial government.

“As of today, my child-care centre still has hundreds of thousands of dollars in our account that we have wanted for months to get to parents but have been told by the Manitoba government that we cannot give to parents,” Isber told reporters during a press conference at the Manitoba legislature with the Child Care Coalition of Manitoba.

On Wednesday, the coalition called on the provincial government to consider a different path to reducing average child-care fees by 50 per cent by the end of this year, and to reach an average of \$10 daily fees by 2025-26.

The province agreed to those targets as part of the Early Learning and Child Care Agreement with the federal government that was signed in August 2021; the province will receive \$1.2 billion over five years to support the program.

To achieve the fee-reduction targets, the province advanced cash to daycare centres and encouraged families to apply for its child-care subsidy program. In February, the province increased net household income thresholds to add 12,000 children to the program.

Coalition member Susan Prentice said the province should reduce the maximum daily fee to \$10 and establish a sliding fee scale based on income, instead.

Prentice, who is the Duff Roblin Professor of Government at the University of Manitoba, noted provincial subsidies have not kept up with cost-of-living increases since 2001.

“What we really just did was backfilled two decades of failing to index subsidies,” she said of the expanded program. “It's like it's 2001 all over again.”

Isber said the subsidy program made a marginal difference to families at the Fort Rouge Child Care Centre.

Most parents didn't apply, she said, owing to a lack of messaging, a belief that they wouldn't qualify and a complicated, burdensome application process. Meanwhile, many of the families who did apply learned they didn't qualify.

“At every stage of this rollout we have asked the government if we could just reduce fees and provide parents with rebates,” Isber said. “Manitoba's botched rollout of the \$10-a-day-federal child-care plan has been as chaotic and poorly managed and, honestly, as callous and mean, as the Twitter takeover.”

The province has directed centres with excess funds to apply them against parent fees in a “way that meets the needs of their families,” according to a letter sent to operators. It also encouraged facilities to waive fees for a specified month, credit families on a per child basis or provide a subsidy to all families who did not receive a benefit.

On Wednesday, Early Learning Minister Wayne Ewasko said Manitoba will achieve the \$10 average daily fee ahead of schedule — in March — and his department is working with the child-care sector and listening to them about how to deliver reduced fees to families, going forward.

“We made the decision at the time to reduce child-care fees to those families that we felt needed it most — those low- and middle-income families,” he said. “Knowing now that we've got a bit of a surplus within the centres, I think that's where we're targeting and making sure that they're using those dollars for what it was expected to be used for.”

NDP MLA Adrien Sala said the rollout has cost families during a time when inflation reached a 40-year high.

“We have families with identical income levels that have received wildly different levels of support, and that’s all because of this government’s confusing approach to using these federal child-care supports,” the St. James MLA said.

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