

Financing early learning and child care in Canada ^[1]

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AVAILABILITY

- Discussion paper in pdf (French) ^[2]

- Discussion paper in pdf (English) ^[3]

Excerpts from the discussion paper:

To be effective, a financing plan for a new system of Early Learning and Child Care must ensure:

- adequacy and dependability of financing;
- public accountability for dollars spent;
- equity in the distribution of the costs and benefits;
- efficiency in the use of public dollars.

Once we have decided that early learning and child care will be publicly financed, there are still several major issues to resolve:

1. Should the new child care plan deliver money on the demand side (to individuals) or the supply side (to services)? In other words, will public dollars be delivered to parents to spend, or will public dollars be delivered to early learning and care service providers to finance services? Many other financing issues are related to this one.
2. Should services be delivered by the public sector or the private sector, or a combination of both? If there is private sector involvement, should this be exclusively composed of nonprofit providers, or should public funding also go to commercial service providers?
3. What should be the amount of parental contributions? Should services be free to users, should contributions be based on parents' incomes, should there be a flat fee (as in Quebec), or should parents pay a certain percentage of the costs?
4. How should the public contribution be financed: by income taxes, by business taxes or charges, by a dedicated tax, or out of general revenues? And what should the federal, provincial (and municipal) shares be?
5. How should support for new early learning and child care programs be phased-in? The federal government has put \$5 billion over five years on the table to begin the financing of a national child care plan. Should this money be used to expand existing subsidy and operating grant programs, with the eventual objective of making financial support more universal? Or should universally accessible programs be phased in more directly, along the lines followed in Quebec (starting with ages five and four), or perhaps starting with infants and working up?

Region: Canada ^[4]

Quebec ^[5]

Manitoba ^[6]

Tags: subsidy ^[7]

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