

FEDERAL CONTRIBUTIONS TO EARLY CHILDHOOD EDUCATION AND CARE

Early childhood education and care programs fall under provincial/territorial jurisdiction, according to Canadian constitutional arrangements. While this is generally the practice, the federal government takes responsibility for a number of ECEC programs. ECEC services under federal aegis are intended for populations for whom the federal government has particular responsibility — for example, Aboriginal people, military families, and new immigrants and refugees. The federal government also makes funds related to child care available to individuals in the form of cash payments and tax benefits. Finally, since 2003, the federal government has been making several different transfer payments to provinces/territories through the Canada Social Transfer.

The following tables describe the ECEC, ECEC-related cash programs and ECEC earmarked transfer payments to provinces for which the federal government is responsible.

ECEC AND RELATED PROGRAMS UNDER FEDERAL AEGIS (2006/07 UNLESS OTHERWISE NOTED)

TABLE 1.1 LINC Child Minding: Program overview

Program	Department	Objectives	Information	Public spending
Child minding component of the Language Instruction for Newcomers to Canada (LINC)	Citizenship and Immigration Canada	To provide on-site child care while parents or guardians take language training and to offer children “an opportunity to learn some English or French in a safe environment”	<ul style="list-style-type: none"> · Support settlement programs that provide LINC programs. · 165 sites in ON and 180 across Canada (est.) · Generally not regulated; federal requirements establish minimum standards of care · Supported by CMAS (Childminding, Monitoring, Advisory and Support) 	Not available ¹

¹ A total of \$122,287,936 was spent on LINC programs in 2006/07 of which child minding is just one part. No breakdown is available. Note that the information in this table does not include Quebec, Manitoba or British Columbia, which are covered by separate agreements.

TABLE 1.2

Military Family Resource Centres: Program overview

Program	Department	Objectives	Information	Public spending
Military Family Resource Centres (MFRC)	Department of National Defence	MFRCs offer a range of child and family programs and coordinate the delivery of child care services	<ul style="list-style-type: none"> · Mandated to provide emergency child care, emergency/respice child care and casual child care · Regulated child care not mandated or funded · MFRCs served an est. 8,000 children <6 years in 2006/07 in 43 sites in Canada, the UK, Europe and US · All MFRCs provide regulated child care 	Spending for 0-6 years, 2006/07: \$4 million (est.)

Note: The public spending figure does not include child care, which is user-pay.

FEDERAL CASH AND TAX BENEFITS RELEVANT TO ECEC UNDER FEDERAL AEGIS (2006/07 UNLESS OTHERWISE NOTED)

MATERNITY AND PARENTAL LEAVE BENEFITS

While the length of maternity and parental leaves and the conditions determining terms and eligibility are provincially determined under labour legislation, the benefit that pays eligible parents for portions of these leaves falls under the federal Employment Insurance legislation. First included in the then-Unemployment Insurance Act in 1971, the length of the federal benefit has increased a number of times in the intervening years. A notable increase occurred in 1989 when benefits for parental leave (either parent) were added to maternity leave benefits reserved for birth mothers.

The federal government increased the parental leave portion of the benefit to 35 weeks in 2001. Under these rules, maternity benefits of 15 weeks and the new parental benefit of 35 weeks to a total of 50 weeks will be paid at 55% of insured earnings to a maximum of \$447 a week to eligible parents.¹

The eligibility requirement is 600 hours of insured work within the past 52 weeks. Human Resources and Social Development is responsible for the benefit programs.

TABLE 1.3

Federal spending on maternity and parental leave 2000/01 — 2006/07

Year	Maternity (millions of \$)	Parental (millions of \$)	Total (millions of \$)
2000/01	752	502	1,254
2001/02	848	1,311	2,192
2002/03	845	1,880	2,159
2003/04	909	2,015	2,924
2004/05	925	2,112	3,027
2005/06	903	2,064	2,967
2006/07 ²	775	1,765	2,540

1 On January 1, 2006 the Government of Quebec introduced its own parental insurance plan, replacing EI maternity and parental benefits. See Quebec section for details.

2 Note that these spending figures do not include Quebec

TABLE 1.4 Maternity and parental leave benefit claims allowed: Number of children

Year	# of children — Maternity	# of children — Parental
2000/01	176,000	177,000
2001/02	193,000	196,000
2002/03	191,000	193,000
2003/04	202,000	205,000
2004/05	199,000	202,000
2005/06	192,000	192,000
2006/07 ¹	163,000	184,000

Note: The number of initial maternity leave benefit claims for 2007 may be found in each provincial/territorial section, together with the number of births for 2007.

1 Note that these figures do not include Quebec

CHILD CARE EXPENSE DEDUCTION

TABLE 1.5 Child Care Expense Deduction: Program overview

Program	Department	Objective	Information
Child Care Expense Deduction	Canada Revenue Agency	<ul style="list-style-type: none"> · To recognize and offset child care costs up to age 16 incurred by parents who work, carry on a business or pursue education · Lower income spouse must make the claim except in specified circumstances 	<ul style="list-style-type: none"> · Individual tax deduction up to \$7,000 for children < 7 and \$4,000 for children aged 7-16 · Receipt may be requested by CRA

TABLE 1.6 Federal spending on the Child Care Expense Deduction

Year	Tax expenditures (millions of \$)	# claims by individual tax filers
2000/01	424	1,072,780
2003/04	545	1,137,840
2005/06	545	1,138,780
2007/08	695 ¹	1,183,700

1 Figure from Government of Canada. (2007). *The budget plan*. Ottawa: Department of Finance, 126.

UNIVERSAL CHILD CARE BENEFIT

TABLE 1.7 Universal Child Care Benefit: Program overview and spending

Program	Department	Objectives	Information	Public spending
Universal Child Care Benefit	Human Resources/Skills Development	· Helps Canadians balance work and family by supporting their child care choices through financial assistance	· Taxable cash payment (mailed cheque) of \$100 a month per child <6 years · Introduced 2006 · 2 million children <6 years	\$1,784,358,911

TRANSFER FUNDS

TABLE 1.8 Federal transfer funds designated for early childhood education and care — all provinces/territories by program by fiscal year 2003-2009 (\$ millions)

Program	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Multilateral Framework Agreement	25	150	225	300	350	350
Foundations program-Bilateral agreements		200	500	650		
Child care spaces initiative					250	250
TOTAL transfer earmarked for ECEC (\$)	25	350	725	950	600	600

Note: In addition, \$300 million in 2001/02, \$400 million in 2002/03, \$500 million in 2004/05, and \$500 million in each fiscal year thereafter was transferred to provinces/territories under the Early Childhood Development Agreement (ECDA). These funds may be used for early learning and child care if a province/territory chooses. An escalator clause of 3% was applied to the ECDA agreement as of 2009/10.

Some of the funds in this chart are included in the Canada Social Transfer, a block fund intended for social programs. The full CST fund (cash portion) transferred to provinces was worth \$8.3 billion in 2004/05; \$8.4 billion in 2005/06 and \$8.5 billion in 2006/07. The 2007 federal budget announced a steep increase in the CST so the cash portion will total \$9.5 billion in 2007/08 and \$10.8 billion in 2008/09. The federal budget extended the Multilateral Framework Agreement funds to 2013/14. The funds will grow by 3% annually as a result of the CST escalator.