



April 29, 2021

Budget 2021 Early Learning and Child Care

Budget 2021 -wide early

learning and child care program featuring the principles of equitable access, quality and affordability. It is not a policy document that will come later. Specific details in the Budget, along with post-budget statements from Employment and Social Development Minister Ahmed Hussen and Finance Minister Chrystia Freeland, point to a transformation of existing services to a system similar to public education or health care.

Financial Commitment

The federal government is using its spending powers to incent provinces and territories to participate. Budget 2021 commits to new investments totaling \$30 billion over the next five years, including \$1.4 billion for Indigenous families. After that an annual commitment to \$9.2 billion, with \$385 million ongoing for Indigenous programs, raises the federal contribution to early learning and child care to the equivalent of what provinces and territories now spend.

Budget 2021 signals a bias for non-profit/public delivery and clearly directs funding to program operations to support quality and access and to reduce fees, rather than payments to parents. It moves away from the current market approach to a view of early learning and child care as a public good.

The Budget specifically addresses three areas:

Affordability

Parents have been told to expect a 50 percent reduction in their child care costs by 2022. By the end of five years in 2025-2026, fees will average \$10 a day for a regulated child care space outside of Quebec, which already has an established low fee structure.

Availability

While it does not provide specific targets, Budget 2021 calls for ongoing annual growth in the numbers of children who can access affordable early learning and child care across Canada. It does stipulate a preference for growth through non-profit and public providers.

Quality

professional learning opportunities and wages to support and grow a professional early childhood workforce. Unlike fees for parents, the Budget does not state a wage target for educators. It is essential





that the affordability expectations are joined to quality requirements that recognize adequate compensation and professional work environments.

Federal-Provincial-Territorial Collaboration

Budget 2021 reinforces processes already in place through the Multilateral Early Learning and Child Care Framework and the bilateral agreements reached with provinces and territories, the asymmetrical agreement with Quebec and the Indigenous Early Learning and Child Care Framework and accompanying accords signed with First Nations, Métis and Inuit peoples.

Recognizing provincial/territorial jurisdiction for the management of early learning and child care, Ottawa is inviting governments to bring forward their plans using the bilateral agreement process. The current range, organization and funding of existing programs are unique to each jurisdiction and building a system will need to take this into account.

and territories as the new system evolves. The commitment to a data and monitoring strategy will inform decision-making and allow the public to track progress.

Questions:

Will the provinces and territories need to provide matching dollars to receive Federal funding?

No, the provinces and territories will not need to raise their current spending to match new federal funds

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What is the status of the Secretariat mentioned in the Budget?

The Budget adds \$34.5 million over five years, starting in 2021-22, and \$3.5 million ongoing, to Employment and Social Development Canada to strengthen capacity for a new Federal Secretariat on Early Learning and Child Care. It has been confirmed that the Secretariat is not an advisory committee. Other details have not been released but it has been described as bringing together officials with a connection to early learning and care and expertise in public policy implementation.

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