

# CODE BLUE for child care



## What's Wrong with the federal Child Care Spaces Initiative?

Stephen Harper's Conservative government is starting to draw attention to its Child Care Spaces Initiative that is intended to create 25,000 new child care spaces a year by giving businesses and non-profit organizations financial incentives.

Although announced last May, the specifics of the initiative are still under review. Human Resources and Social Development Canada is engaging in a limited consultation with selected provincial officials, child care providers, employers, and policy analysts. Diane Finley, Minister of Human Resources and Social Development, will also be receiving advice from a separate advisory committee she intends to put in place very soon.

So far, few details of the initiative have been released. The May 2006 budget speech committed \$250 million a year for five years starting in the 2007-2008 fiscal year and after Harper's cancellation of the federal-provincial child care agreements takes effect. Under the plan, groups will receive incentives worth up to \$10,000 towards the capital cost of each child care space "created." The government's web site ([www.universalchildcare.ca](http://www.universalchildcare.ca)) promises that the initiative will "meet the needs of all families--regardless of where they live or work"

Research, evidence and experience all confirm that building and expanding a quality and inclusive child care system takes a coordinated approach by all levels of government, and – to be effective - should occur within a properly funded and regulated framework. This is why the Code Blue Campaign for Child Care has consistently called for multi-year sustained funding from federal, provincial and territorial governments tied to provincial and territorial child care action plans.

**The Code Blue Campaign for Child Care would like to see the Conservative government's \$250 million capital/start up program replaced with a dedicated federal transfer payment to provinces and territories for child care capital investments in line with their child care**

**action plans. In addition, ongoing operating funds such as those committed in the bilateral agreements must be ensured.**

Here's why:

- 1. Capital incentives minus operating financing equals poor results.**  
Child care requires more than four walls and a roof. Without support for ongoing operation, any newly created spaces will have “the same financial issues as [existing] community-based child care.”<sup>1</sup> In other words, fees will be high and/or there will be insufficient funds to provide high quality early learning and care. In fact, without a commitment of operating funds, it is questionable whether the spaces most in need will be built at all. Areas where parents can afford higher fees are where spaces are likely to exist already.
  - 2. Where are the communities?** Capital expansion *and* operating funds must be tied to community plans or the current patchwork will continue. The government claims its incentives will carry market-driven ‘efficiency’. However, offering an incentive that will only be taken up selectively (where parents can afford high fees) and that leaves it to others to patch together arrangements is much less effective. A much better approach is to build a comprehensive system based on community-based assessments and plans.
  - 3. Where are the provinces?** The 2006 Conservative federal budget says the bilateral child care deals were cancelled because they “created new cost pressures” and “increased uncertainty” for the Provinces and Territories.<sup>2</sup> It is unclear how bypassing Provinces/Territories, as the Child Care Spaces Initiative does, is preferable. The bilateral deals provided financial support to ensure more quality affordable care, and flexibility to account for regional and local differences. The Conservative federal capital incentive program will give the Provinces/Territories neither the stable federal funding nor the revenue generating capability they require.
  - 4. Where is the accountability?** \$10,000 per space of public money is being offered but what is being required in return from those who receive the money? For example, how will a space be defined? Will there be any minimum quality standards applied? Will spaces be accessible for children with disabilities? What about families with low incomes? What guarantee do we have that once physical spaces are created they won't be converted from child care to some other function?
- 1. Will the money be available only for use by non-profit child care services?** Historically, capital funding has only been available for non-

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<sup>1</sup> CCAAC: *The Community Child Care Investment Program: Does the evidence support the claims?*

<sup>2</sup> <http://www.fin.gc.ca/budget06/fp/fpc3e.htm>

profit child care in order to promote and retain community-owned services. If the capital incentives are made available to for-profit operators, they stand to make personal and private gains from public funding if they sell the child care space. In addition, research shows that non-profit programs are generally of higher quality. In order to maximize the benefits of quality early learning and child care, and retain community assets, public funds should be invested in non-profit programs.

2. **What about children with disabilities?** How will the federal government's proposed incentives ensure that "builders" of the promised spaces accommodate access to children with disabilities? How will the higher costs related to space creation for children with disabilities be addressed? Finally, will there be monies available so that current spaces can be retrofitted to create better environments for children?
3. **What about rural communities?** While it is difficult enough to create and sustain child care in locales where there is high population density, doing so in a rural or remote community has many more challenges. It is well documented that rural Canada cannot be served by the kind of piecemeal approach that this initiative represents.
4. **This kind of approach has already been tried and studied—and rejected as a failure.** All of the points above are based on research and experience. Several provinces have at one time offered small capital incentives for child care space creation, resulting in negligible space creation. Alternatively, when significant capital funding and ongoing operating support is offered, such as in Quebec, the research shows a substantial expansion of spaces.

**Overall, this initiative is the wrong way to go. In 2006, there has been too much study, analysis and experience with best practices in designing early learning and child care policy to return once again to the limited and patchwork on-off “solutions” of the past.**

**Canada needs a 21<sup>st</sup> century early learning and child care approach that builds on what we know about what works, not more back-to-the-future proposals.**