



**The federal budget and the child care promise:  
Promise made but not yet kept**

Prime Minister Martin says that the child care promise has been kept in the federal budget. But the budget represents only one part of the Liberals' child care pledge and even at that can only be considered a down payment. What's in the budget also raises many problematic issues with respect to the future development of a pan-Canadian child care system. We are still far from what was promised (the QUAD principles enshrined in federal, provincial and territorial legislation) and what is needed.

What we're looking for, what the budget said, and the issues this raises are outlined in the chart below.

<b>What we're looking for</b>	<b>What was in the budget</b>	<b>Issues/problems</b>
<p>A pan-Canadian system, based on quality, inclusiveness, universality, accessibility and developmental programming. (The principles promised in the Liberal election platform were quality, universality, accessibility and developmental).</p> <p>Provinces and territories would have flexibility in child care delivery under this system, while meeting these shared principles.</p>	<p>Reference to a "shared vision" and an "initiative" rather than a "system".</p>	<p>This is a significant language shift that makes it unclear what the goal is. Moreover, there is no commitment to stakeholder involvement; f/p/t negotiations are entirely behind closed doors</p>
<p>Adequate, sustained funding. By Budget Year 5, federal spending should have ramped up year by year to \$5 billion in 2009/10.</p> <p>By 2020, federal funding should reach 1% of GDP (\$10 billion) annually through scheduled increases in 5-year increments over 15 years.</p>	<p>\$700 million in Year 1 \$700 million in Year 2 \$1.2 billion in each of Years 3, 4, 5</p>	<p>These are inadequate amounts to build a child care system. The flat annual rates do not allow for growth of a system.</p> <p>There is no clearly stated commitment to increased funding beyond five years or sustainability in the long-term.</p>

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Adequate funding for aboriginal child care.	\$25 million in each of Years 2-5 for a total of \$100 million.	Not enough money for equitable aboriginal child care; funding should be over and above the \$5 billion allocation and should reflect the needs and the size of the child population of aboriginal communities.
Development of ways to measure progress (system outcomes) for example, the number of new spaces created.	<p>An “accountability” package to develop data and indicators.</p> <p>Funding of \$25 million in each of Years 2-5 for a total of \$100 million taken out of the \$5-billion child care allocation.</p>	While data and indicators are an important part of accountability, they are only one part of it.
Annual reporting to provincial/territorial legislatures and Canada’s Parliament.	“Governments reporting annually to their own citizens” and agreement of provinces that they will be “guided” by the QUAD principles.	A second key piece of accountability is thorough and transparent reporting on public spending and progress on developing an early learning and child care system that meets the QUAD principles. Reporting to Canadian citizens through Parliament and legislatures through clearly defined processes is meaningful; reporting to “citizens” – especially citizens of individual regions—without specific requirements has no teeth.
Criteria and conditions (drawn from the QUAD principles) defined in federal legislation that the provinces and territories must meet in order to access federal child care dollars.	Nothing.	The provinces and territories are not required to show they intend to create services that aspire to meet the QUAD principles as a condition of obtaining federal child care dollars.

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<p>Well-defined p/t child care plans with goals, timetables and benchmarks, and a demonstration of how each plan uses the best available evidence on how the QUAD principles will be achieved (such as non-profit delivery and direct funding to services).</p> <p>These plans should be developed with the participation of researchers and stakeholders.</p>	<p>Nothing.</p>	<p>Without a process requiring the provinces and territories to show how they plan to actualize the QUAD principles, federal dollars will likely be used merely to extend the existing patchwork of insufficient services.</p>
<p>A permanent mechanism to ensure accountability for spending child care dollars on quality services through a fund distinct from the Canada Social Transfer (CST). The fund should be enshrined in legislation.</p>	<p>Flowing the first \$700 million through a third-party trust fund.</p>	<p>Without conditions written into the trust, provinces and territories will be able to draw down the money and spend it on whatever they want—not necessarily child care.</p> <p>The CST retains almost all the features that made the block fund Canada Health and Social Transfer (CHST) an unaccountable mechanism.</p>
<p>An equitable funding formula that recognizes the challenges of small rural and remote populations.</p>	<p>Per capita funding to provinces and territories.</p>	<p>Doesn't provide enough money for provinces/territories with low population density.</p>