



# working documents

quality by design

## Child care fee subsidies in Canada

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### Introduction

This overview of child care fee subsidies in Canada is one of the working documents prepared for *Quality by Design*,<sup>1</sup> an exploratory project intended to generate discussion and debate about strategies for improving quality in early learning and child care at the policy level. Part of the project involves identifying, consolidating and transforming information derived from research and other sources into tools and strategies that can be used to improve the quality of early learning and child care (ELCC).

This document summarizes comparable information from provinces/territories to help inform discussion about financing issues that affect the quality of ELCC programs. Adequate and sustainable ELCC funding is a critical element for achieving and maintaining high quality. While other elements such as a good physical environment and well-qualified early childhood educators are also critical, without adequate, well-directed funding, it is difficult to sustain quality as the rule rather than the exception.<sup>2</sup>

Child care fee subsidies have been the mainstay of each province and territory's child care financing since the introduction of the Canada Assistance Plan (CAP) and its open-ended cost-

sharing (under certain guidelines and conditions) in the 1960s. In the current climate of ELCC expansion and new public spending, provinces/territories are reviewing the way child care is financed. This may include alternatives to the current subsidy system as well as increasing access to services within expanded subsidy systems.

Canada uses two main types of financing approaches for child care: demand-side funding, directed to users to help them purchase child care (such as the Child Care Expense Deduction) or to purchase it on their behalf (fee subsidies) and supply-side funding, directed to services in the form of operational (sometimes earmarked as are, for example, wage grants) funding. Over the last 30 years, operating grants, Canada's main form of supply-side funding, have come and gone, been increased, decreased, eliminated or changed in scope and purpose. Fee subsidies for regulated child care, however, have remained fairly constant in terms of guidelines and purpose and have, for the most part, seen a steady growth in expenditures. As of 2004, all provinces/territories provided some sort of operating support (albeit sometimes quite limited) to regulated child care programs. Subsidies, however, remain the single greatest expenditure in all provinces/territories except Nunavut, and Quebec (which phased out its fee subsidy system over a four-year period beginning in 1997 as it made a transition to direct operational funding for child care services).

<sup>1</sup> *Quality by Design* is a project of the Childcare Resource and Research Unit, University of Toronto. It is funded by the Social Development Partnerships Program, Social Development Canada.

<sup>2</sup> See the *Quality by Design* section of the CRRU website for further information at [www.childcarequality.ca](http://www.childcarequality.ca)

The Canada Review of the Thematic Review of Early Childhood Education and Care carried out by the Organization for Economic Co-operation and Development (2004) made several comments on how Canadian child care is financed as well as how much public funding is directed to it. With specific reference to the fee subsidy systems, it described them as “inefficient” with “complex eligibility criteria,” and further suggested

*A change in grant funding may also be envisaged, with a move away from personal subsidy mechanisms toward operational funding and an entitlement for children, as in the traditional education model. Earmarked operational grant funding seems to be a surer means of ensuring more highly qualified personnel and enriched learning environments in the centres – both of which are strong indicators of quality and learning (p.76).*

In 2005, significant new federal dollars began to flow to provincial/territorial ELCC programs as bi-lateral agreements-in-principle began to be put in place. Some jurisdictions announced that there would be additional fee subsidies as well as additional operational funding to programs; while some jurisdictions may consider alternative approaches to funding, the high cost of increasing access remains a barrier. For example, in 1995, when Quebec still had a mixed system of fee subsidies and operating funds, it spent \$203.7 million, or \$1,828/regulated space. By 2004, when centres and regulated family child care homes had become directly funded, spending had increased to \$1.56 billion, or \$4,850/regulated space.

The purpose of this document is not to discuss various mechanisms for funding child care. Rather it is intended to outline the current range of funding approaches in provinces/territories with a focus on the conditions and criteria for providing fee subsidies. It gives a brief history of the origins of child care subsidy systems in Canada, discusses some common elements and areas of differences across provincial/territorial subsidy systems and presents comparative information on key aspects of the subsidy systems by province and territory.

The provincial/territorial subsidy information presented in this document comes from three main sources: from *Early Childhood Education and*

*Care in Canada 2004* (Friendly and Beach, 2005); from publicly available provincial/territorial child care regulations and policy documents; and from interviews with provincial/territorial directors responsible for ELCC (and other officials responsible for the subsidy program where applicable) that were carried out for this report. We have made every effort to use the most correct, current and comparable information available. However, as provincial/territorial child care policies are currently in a period of rapid change, it is possible that new developments in subsidy programs will follow publication of this paper.

## The context for fee subsidies: A brief history of child care funding in Canada

The early child care programs of the latter half of the 19<sup>th</sup> century and early part of the 20<sup>th</sup> century were established to provide “care” to children of poor mothers who had to work to support their families and were funded primarily by religious and other charitable organizations. Nursery schools, which began in the 1920s were established to provide developmental and social experience for pre-school age children of middle-class families and were funded primarily by parent fees (Friendly, 1994).

There was little government involvement in child care until World War II when the federal government offered 50-50 cost-sharing with the provinces under the *Dominion-Provincial War-Time Agreement* in an effort to recruit women workers for war-related industries. The agreement was only taken up by Quebec and Ontario. Following the end of the war, federal funding was withdrawn. All of the war-time nurseries in Quebec closed as did many in Ontario. (Doherty, Friendly and Beach, 2003).

The next significant federal foray into child care came with the Canada Assistance Plan (CAP) of 1966, Canada’s national welfare program. One of five major pieces of federal social legislation of the mid-sixties – along with Youth Allowances, the Canada Pension Plan, the Guaranteed Income Supplement and the Medical Care Insurance Plan – it was part of the government’s “War on Poverty” and was established as a conditional shared-cost program for “the prevention and removal of the causes of

poverty and dependence on public assistance" (Osborne, 1985). A significant feature of the Canada Assistance Plan was that its funding was open-ended.

Provinces/territories could access 50 percent cost-shared funds under the CAP guidelines by one of two methods. First, under the Social Assistance (or "Item of Assistance") method, CAP shared in child care costs to or on behalf of a person in need as determined by a needs test (which took into account the family's liquid assets, earnings, and costs). The concept was that the needy individual was too poor to pay for the "item" (in this case child care) so government would pay on his or her behalf; that is, the service itself was not being funded. Individuals had to be needs tested and the cost of care for needy individuals using public, non-profit and for-profit services was eligible for cost-sharing (Moscovitch, 1988).

Under the second – the Welfare Services – route, defined social services provided to persons "likely to be in need if the service is not provided" were eligible for funding. Under this route, eligibility was determined by an income test. As it was the service (or portion of a service), not an individual being funded, services eligible for funding had to be public or non-profit. The concept was that – unlike the Social Assistance route – a service to prevent the "likely to be in need" client from becoming "in need" was being funded by government. CAP also permitted full funding of a service if a survey showing that 90% of recipients had income at or below the CAP income guidelines for "likelihood of need".

Cost-sharing for eligible costs of child care services was introduced in 1972 with changes to the CAP regulations and the number of child care programs rapidly increased (Moscovitch, 1988). Between July, 1971 (when data about the number of child care spaces were first collected) and March, 1973, there was a 54.2% increase in spaces and a 42.4% increase in the number of centres (Health and Welfare Canada, 1973).

The federal government set maximum income limits up which cost sharing was permitted under CAP; these were indexed and adjusted quarterly. However, the levels of income that determined eligibility for child care subsidy were set by each province/territory (up to the federal maximum) and all were lower than the

CAP guidelines, some considerably lower. An analysis of a Health and Welfare Canada database by Cleveland (1987) showed that if provinces/territories had fully used the federal maximum CAP guidelines, almost three quarters of families would have been eligible for some amount of subsidy - 46% eligible for a full subsidy and another 26% eligible for a partial subsidy.

Although CAP was the first federal funding that supported regulated child care since the war-time funding of World War II, the program was criticized as a child care financing measure. Townson (1985) noted that criticisms of CAP vis-a-vis child care included the following: that as a welfare program, it did not meet the needs of all those who needed child care; it stigmatized the children and families receiving subsidies; it focused on users rather than creating services; it reimbursed provinces after funds were spent; and it encouraged provinces to fund according to government priorities, not need. At the same time, however, the program was open-ended, cost-sharing was available on all eligible provincial expenditures and the federal program included conditions, albeit limited, regarding how provinces could spend federal dollars (services had to be regulated and only public and non-profit services could be cost-shared under the less restrictive Welfare Services route). By the mid 1970s, all the provinces/territories were using the provisions of CAP for child care. The funds were primarily used for fee subsidies but by the time CAP was eliminated in 1995, almost all provinces/territories also provided some form of operating funds to certain child care programs, some of which were cost-shareable.

Then, in 1990, the federal government unilaterally announced the "cap on CAP", that is, it would limit annual increases under CAP to 5% for the provinces not entitled to equalization payments (Ontario, Alberta and British Columbia – the so-called "have" provinces). In 1995, the federal government eliminated CAP altogether and replaced it with a block transfer – the Canada Health and Social Transfer (CHST) – that also replaced Established Programs Financing for health care and post-secondary education. At the same time, federal funds were reduced considerably. Thus, the conditions of CAP were no longer available to apply to child care funding while the federal government's

spending power diminished with its dwindling share of funding. Federal/provincial cost-sharing for child care as a social service ended with the end of Canada's national welfare program.

In September, 2000, provincial/territorial and federal First Ministers (except the Premier of Quebec) announced an Early Childhood Development (ECD) Agreement, agreeing to four possible areas of action:

- Healthy pregnancy, birth and infancy
- Parenting and family supports
- Early childhood development, learning and care
- Community supports

A total budget of \$2.2 billion was committed by the federal government for this over five years. Payments for the first three years flowed through the CHST and subsequently through the Canada Social Transfer (CST) which came into effect in April 2004 when the CHST was restructured into two separate funds, the CST and the Canada Health Transfer. In the 2003 federal budget, ongoing funding of \$500 million for ECD was committed to provinces/territories on an ongoing basis after the five years were to be up in 2005/06. Little was spent on regulated child care through this agreement but six provinces did commit a portion of the funding to child care: the four Atlantic provinces, Manitoba and Saskatchewan. In 2001, a total of eight percent of ECD funds were spent on regulated child care (Friendly, Beach and Turiano, 2001).

In March 2003 federal/provincial/ territorial ministers responsible for social services announced the Multilateral Framework on Early Learning and Child Care, which built on the ECD Agreement. It had two main objectives:

- to promote early childhood development; and
- to support the participation of parents in employment or training by improving access to affordable, quality early learning and child care programs and services.

The federal government allocated a budget of \$900 million over five years to this new agreement. An additional \$150 million over two years was announced in the 2004 budget, for a total budget of \$1.05 billion. Unlike the ECD agreement, these funds had to be spent on

regulated child care and unlike Canada Assistance Plan spending, were solely federal, not cost-shared.

Child care, or ELCC, played prominently in the 2004 federal election. The Liberal Party announced *Foundations: A national early learning and child care program*, committing an additional \$5 billion over five years towards building a national system that *will ensure that children have access to high-quality, government regulated spaces at affordable cost to parents*. Four principles were attached to the platform: quality, universality, accessibility and developmental [programming] (Liberal Party of Canada, 2004).

Following meetings of federal/provincial/territorial ministers of social services in November, 2004 and February, 2005, agreement was reached on shared principles to guide the development of a new national system of early learning and child care. The federal government began bi-lateral negotiations with provinces/territories and on April 29, 2005 Manitoba became the first province to enter into an agreement-in-principle.

## Provincial/territorial subsidies today: Summary of common elements and differences

Ten years after the elimination of the Canada Assistance Plan and its conditions for eligibility of families and services, provinces/territories (except Quebec) still follow a number of the CAP guidelines. To some extent, these have shaped the common components found among Canada's 13 provinces/territories. However, while there are a number of common components across child care subsidy systems, there are also some striking differences.

Outside Quebec, which no longer uses fee subsidies as a main component of child care funding<sup>3</sup>, there are five main areas of provincial/territorial subsidy systems that are common across provinces and territories.

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<sup>3</sup> For a more detailed description of the ELCC system begun in Quebec in 1998 and subsequent changes to the system, see Tougas, 2002, and the Childcare Resource and Research Unit Issue File *Proposed changes to the Quebec Child Care System*, 2003.

All provinces and territories:

- Require families to undergo some form of eligibility assessment and be periodically reassessed to confirm continued eligibility;
- Require two types of criteria be met to determine eligibility: social criteria, that is meeting a defined need for child care; and financial criteria, that is being within certain provincial/territorial financial ceilings;
- Allow subsidies to be used in some or all regulated (public, non-profit and for-profit) full-day child care centres and regulated family child care homes;
- Include social criteria such as working, attending a training or educational institution, or having a medical need as conditions of eligibility for parents; and
- Include a defined special need or condition of risk as social criteria for children (with the exception of children attending a regulated preschool in BC, in which case only financial eligibility applies).

There are also many differences across provinces/territories as to which programs can take subsidized children and under what conditions, the conditions and limitations of subsidy for parents; eligibility levels and rates; assessment processes; and how much a subsidized parent may have to pay.

Highlights of some key differences across provinces/territories are noted below:

#### **Child care programs in which parents can access subsidy:**

- Saskatchewan is the only province/territory to limit subsidies to non-profit centres and family day homes.
- Nova Scotia limits its “regular” subsidies to specific non-profit centres but since 2000 allows new subsidies to be used in profit and non-profit centres. Some operating grants are attached to the regular subsidized spaces.
- Nova Scotia requires centres taking subsidized children to enter into an agreement with the province to do so. The majority of subsidized spaces are allocated in specific numbers to certain non-profit centres and may not be transferred to other centres.

- British Columbia, Northwest Territories and Nunavut permit “regular” subsidies to be used in unregulated care, including in the child’s own home.
- A number of provinces have additional specific programs that help parents pay for unlicensed care under certain conditions (such as enrolment in a training program).
- Nova Scotia and Alberta do not permit subsidies to be used in regulated nursery schools/preschools.<sup>4</sup> Yukon requires programs to be in operation at least three hours/day to be eligible to take subsidized children.
- Ontario requires non-profit and for-profit centres and family child care agencies to enter into “purchase of service agreements” with municipal or regional governments in order to accept subsidized children. (They may allocate a specified number of subsidized spaces to particular programs, or allow them to “float”.)

#### **Financial eligibility for subsidy:**

- The lowest net income levels at which a one-parent, one-child family can get a full subsidy are in Prince Edward Island (\$13 440) and Manitoba (\$13,787) and the highest is in British Columbia (\$30,984). The lowest net income levels at which any partial subsidy ceases for a two-parent two-child family is in Nova Scotia (\$34,992) and the highest is in British Columbia (\$71,016). (Note that Ontario does not currently set provincial income levels).
- In Nunavut and the Northwest Territories, parents are expected to use all their liquid assets, including bank accounts and RRSPs, (in Nunavut RESPs are exempt) in order to be eligible for subsidy. Newfoundland allows \$2,500 in assets, excluding RRSPs. However, RRSP contributions may not be made while being subsidized. Ontario permits a parent with one dependent up to \$5,000 in assets, plus \$500 for each

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<sup>4</sup> Effective January 1, 2006 stay-at-home parents in Alberta who meet the financial eligibility criteria will be able to receive up to \$100/month for licensed nursery schools and other approved early childhood programs

additional dependent; RRSPs and RESPs are currently exempt. Nova Scotia allows \$10,000 in liquid assets but includes RRSPs.

There are no asset ceilings in New Brunswick, Manitoba, Saskatchewan, Alberta, British Columbia or Yukon.

- Ontario, the Northwest Territories and Nunavut use a needs test to determine eligibility; others use an income test. (Ontario has announced it will move to an income test in 2006.) Alberta uses an income test but also allows deductions from income for child care expenses for school-age children, overnight care, lunch programs, transportation costs and the cost of summer camp.
- Eligibility levels in Manitoba have remained the same since 1991. Newfoundland and Labrador, New Brunswick and British Columbia have raised eligibility levels in 2004 or 2005. 2005 income ceilings in Newfoundland and Labrador were more than twice as high than they were in 1995; the turning point (the point at which full subsidy ceases) in Nova Scotia and Saskatchewan increased by only a few hundred dollars over the same period. British Columbia reduced eligibility levels in 2002, raised them in 2003 (to below the 2001 maximums), raised them in January 2005 and again in October 2005, to what are now the highest income ceilings across provinces/territories.
- Parents in Manitoba and Alberta can apply for subsidy online; in six of the provinces/territories, assessments are conducted primarily in person. Eligibility is reviewed every month in the Northwest Territories for all parents on subsidy; in five jurisdictions subsidy approvals may be for as long as a year before reassessment is necessary.

#### **How much governments and parents pay:**

- Nova Scotia, Manitoba and Saskatchewan have minimum user fees required of subsidized parents. In Manitoba the minimum fee is also the maximum fee that can be charged to subsidized parents. In all other jurisdictions, programs - while there are no minimum user fees - may charge

subsidized parents more than the maximum subsidy rate.

- Maximum subsidy rates for infants in centre-based care vary from a low of \$18.57 in Saskatchewan (the monthly rate divided by 21 days) and \$22/day in Nova Scotia (less the minimum user fee of \$2.25) to a high of \$37.50/day in British Columbia. Figures are not available for Ontario as local governments,<sup>5</sup> the bodies that administer subsidy, (called Consolidated Municipal Service Managers and District Social Services Administration Boards, or CMSMs/DSSABs) may subsidize up to the actual cost of care. Subsidy rates for preschool-age children range from \$13/day in Saskatchewan to \$32/day in the Northwest Territories and Nunavut.
- Data on average fees are not available for all provinces/territories but in Newfoundland and Labrador, Prince Edward Island, Northwest Territories and Nunavut, data are available to show that average fees in 2004 were at or below the maximum subsidy rates. This means that many subsidized parents incur no fees. In some jurisdictions, however, fees are generally higher than subsidy rates and the difference may be considerable. For example the difference between the maximum subsidy and full fee in 2004 for a three year old in centre-based care was \$7.33/day in Saskatchewan, \$7.24/day in Alberta and \$7.12/day in Nova Scotia.

#### **Conditions and limitations on eligibility:**

- Children generally may be subsidized until they are 12 or 13 years old in all jurisdictions except Alberta, where the child must be under seven years and not yet in grade 1.

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<sup>5</sup> In Ontario the local government body that administers fee subsidies is either a Consolidated Municipal Service Manager (CMSM) or a District Social Services Administration Board (DSSAB). A CMSM is a municipal government responsible for carrying out the funding and administrative responsibilities given it by the provincial government for programs such as housing and social services. It could be a regional government, a county or a separated city. DSSABs are the method used for the consolidation of municipal service management in the north of the province.

There are age limit extensions for children with special needs in seven jurisdictions with age limits ranging from 15 to 21 years.

- Parents in Nunavut must be 18 years to be eligible for a regular subsidy. In April 2005, a new program was introduced that allows parents under the age of 18 years to receive a subsidy in regulated care as long as they are attending school.
- Saskatchewan is the only jurisdiction with a policy that entitles all subsidized parents who are on maternity/parental leave with a new baby continued subsidy for their older child(ren) for two months (longer if there is a referral from a health professional or social worker). Approvals in other provinces/territories are either on a case-by-case basis, or if the subsidy was approved based on special social needs of the child.
- Parents are generally not eligible for subsidy while they are looking for work in Newfoundland, New Brunswick, the Northwest Territories and Nunavut; parents looking for work may, under certain circumstances, be eligible for subsidy for up to six months in Nova Scotia and up to nine consecutive months in British Columbia.

## Subsidy – a major component of Canadian child care financing

The remainder of this paper is a series of tables that show the features of provincial/territorial fee subsidy arrangements by:

- Funding amounts, allocations to fee subsidies and other forms of funding
- Programs in which parents can access subsidy
- Eligibility requirements for parents or children
- Assessment process for subsidy eligibility
- Conditions and limitations of subsidy use
- Maximum subsidy rates and parent user fees

Comparison of these features shows that:

- In all provinces/territories except Quebec, there are two main forms of spending: fee

subsidies on behalf of eligible families, and one-time or recurring grants to child care centres/family child care agencies. (Capital funding is either quite limited or non-existent). The amounts and types of funding vary widely across jurisdictions.

- The proportion of their child care budgets that provinces/territories spent on fee subsidies in 2004 ranged from a low of 21% in Nunavut to a high of 76% in Alberta. In six provinces, the proportion was between approximately 40%-45% .
- The percent of children receiving a fee subsidy as a proportion of regulated spaces ranged from 13% in British Columbia to 57% in Yukon. In seven provinces/territories the proportion was less than 30%.
- Allocations per fee subsidy in 2004 ranged from \$1,425/year in Nunavut<sup>6</sup> to just under \$5,000 in Newfoundland and British Columbia. Eight provinces/territories spent \$2,500 or more per fee subsidy.
- Allocations other than for fee subsidies (for example operating grants, wage grants, supports for children with special needs and one-time funding) ranged from \$192/regulated space in Alberta to \$1,700 in Yukon and \$1,500 in Manitoba. Seven provinces/territories spent more than \$1,000/regulated space on funding other than fee subsidies.

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<sup>6</sup> Represents territorial funding only; additional subsidies are available for eligible families through the First Nations and Inuit Child Care Funding

## Overview of features of child care fee subsidy in Canada by province and territory<sup>7 8</sup>

**Table 1. Financial allocations to regulated child care and spending on fee subsidies in regulated child care 2003/04**

Province/territory	Total allocation for regulated child care (\$)	Subsidies in regulated care as a percent of total allocation (%)	Spending on fee subsidies per subsidized child in regulated child care(\$)
Newfoundland and Labrador	9,636,300	67.4	4,810
Prince Edward Island	4,681,790	69.6	3,023
Nova Scotia	19,767,821	45.1	2,412
New Brunswick	13,900,000	45.3	2,412
Quebec	1,560,000,000	Not applicable	Not applicable
Ontario	497,400,00	56.1	2,689 <sup>9</sup>
Manitoba	73,003,600	47.3	2,986
Saskatchewan	19,639,000	53.5	2,827
Alberta	53,600,00	76.5	3,863 <sup>10</sup>
British Columbia	140,727,000	38.4 <sup>11</sup>	4,910
Yukon	5,197,284	54.9	3,631
Northwest Territories	2,542,000	41.0 <sup>12</sup>	Not available
Nunavut	1,786,000	21.0 <sup>12</sup>	Not available

**Table 2. Total allocation for regulated child care and spending on child care other than fee subsidies 2003/04**

Province/territory	Total allocation for regulated child care (\$)	Spending other than on fee subsidies as a percent of total allocation (%)	"Other" spending per regulated space (\$)
Newfoundland and Labrador	9,636,300	32.6	639
Prince Edward Island	4,681,790	30.4	348
Nova Scotia	19,767,821	54.9	850
New Brunswick	13,900,000	54.7	639
Quebec	1,560,000,000	100.0	4,848
Ontario	497,400,00	43.9	1,055 <sup>13</sup>
Manitoba	73,003,600	52.7	1,500
Saskatchewan	19,639,000	46.5	1,154
Alberta	53,600,00	23.5	192
British Columbia	140,727,000	61.6	1,080
Yukon	5,197,284	45.1	1,711
Northwest Territories	2,542,000	59.00	1,230
Nunavut	1,786,000	79.00	1,394

**Table 3. Regulated child care spaces and subsidized children as a percent of total spaces 2004**

Province/territory	Total regulated spaces	Subsidized children in regulated child care as a percent of total spaces (%)
Newfoundland and Labrador	4,921	27
Prince Edward Island	4,060 <sup>14</sup>	27
Nova Scotia	12,759	29
New Brunswick	11,897	22
Quebec	321,732	Not applicable
Ontario	206,743	Comparable information not available <sup>15</sup>
Manitoba	25,634	45
Saskatchewan	7,910	47
Alberta	65,726	16
British Columbia	80,230 <sup>16</sup>	13
Yukon	1,369	57
Northwest Territories	1,219	Not available
Nunavut	1,014	Not available

<sup>7</sup> Note that data on Quebec are usually not included in these tables as Quebec does not use a fee subsidy program.

<sup>8</sup> Source and data for calculations: Friendly and Beach (2005). *Early Childhood Education and Care in Canada 2004*

<sup>9</sup> Does not include the subsidy funding of local governments as information not available.

<sup>10</sup> Does not include spending by municipalities on subsidies in school-age programs as information is not available

<sup>11</sup> Based on the estimated numbers of subsidized children in regulated child care. Actual numbers are not available.

<sup>12</sup> The fee subsidy budget includes spending on both regulated and unregulated child care

<sup>13</sup> Does not include spending by municipal and regional governments as information was not available.

<sup>14</sup> In PEI part-day kindergarten for 5-year-olds is provided at no cost to parents through the child care system. To be comparable with other provinces/territories, the 695 kindergarten age children attending only part-day have been excluded from the total.

<sup>15</sup> Ontario figures are based on the cumulative numbers of children receiving subsidy in 2003/04 as average number of subsidized children was not available

<sup>16</sup> The number of regulated spaces for 2004 is not available; the figures presented are from 2003/04.



**Table 4. Child care programs in which parents can access subsidy**

<b>Newfoundland and Labrador</b>	All licensed full- and part-day non-profit and for-profit centres; licensed family child care homes; family child care homes approved by a licensed family child care agency
<b>Prince Edward Island</b>	All licensed full- and part-day non-profit and for-profit centres; licensed family child care homes
<b>Nova Scotia</b>	There are two types of subsidies: Fixed numbers of “regular” subsidies are allocated to specific full day non-profit centres and licensed family child care agencies. Since 2000, all new subsidy spaces created have been “portable” and are available to licensed full-day non-profit and for-profit centres.
<b>New Brunswick</b>	All licensed full- and part-day non-profit and for-profit centres, family (community) day care homes
<b>Ontario</b>	There are two types of subsidies: “regular” subsidies and <i>Ontario Works</i> child care subsidies. Regular subsidies are available in licensed full- and part-day public, non-profit and for-profit centres; approved homes in licensed family child care agencies and eligible non-regulated recreation programs (for school-age children only, i.e. age 6 and older). All programs must have a purchase of service agreement with one of the 47 Consolidated Municipal Service Managers (CMSM) or a District Social Services Administration Boards (DSSAB) (municipal and regional governments, known as delivery agents in the <i>Day Nurseries Act</i> and its regulations). <i>Ontario Works</i> <sup>17</sup> fee subsidies are available in all of the above programs and unregulated arrangements.
<b>Manitoba</b>	All licensed non-profit and for-profit centres, nursery schools, and family child care homes Non-profit centres and family child care homes receiving operating grants may be asked to prioritize the enrolment of children receiving subsidies. For-profit centres and non-profit centres waiting for operating funding (as funds are limited) are not required to enrol subsidized children; however, non-profit centres typically do.
<b>Saskatchewan</b>	All licensed full-day non-profit centres and family child care homes
<b>Alberta</b>	Full- and part-time subsidies are available in all licensed non-profit and for-profit full-day child care centres and approved family child care homes, licensed out-of-school care centres for children at least 4½ years old and attending an Early Childhood Services (kindergarten) program. Subsidies are not available in drop-in centres, nursery schools <sup>18</sup> (part-day programs) and school- age programs for children in grade one or higher. (Some municipalities provide subsidies for school-age care).
<b>British Columbia</b>	All licensed non-profit and for-profit child care centres, preschools (part-day programs), out-of school programs, regulated and unregulated family child care, unregulated care in the child’s own home. Subsidy may not be used in child-minding services (occasional care).
<b>Yukon</b>	All licensed non-profit and for-profit centres and licensed family child care homes that provide care for a minimum of three hours a day. Subsidy is not available for drop-in or irregular care (occasional care) or programs operating for less than three hours/day. Most part-day preschool programs are not licensed; however, there are some licensed part-day Montessori programs that operate three hours/day and are eligible to take subsidized children.
<b>Northwest Territories</b>	All licensed full- and part-time non-profit and for-profit child care centres, licensed family child care homes, unregulated family child care and care in the child’s home. Service providers are not required to enrol subsidized children and some do not, due to difficulties in receiving parental payments
<b>Nunavut</b>	All licensed full- and part-time non-profit and for-profit child care centres, licensed family child care homes, unregulated family child care and care in the child’s home

<sup>17</sup> *Ontario Works* child care funds may be used to cover the cost of child care where participants are in employment assistance activities or are entering the job market. Each CMSM/DSSAB determines whether payment goes to the parent or to the service provider.

<sup>18</sup> Effective January 1, 2006 stay-at-home parents in Alberta who meet the financial eligibility criteria will be able to receive up to \$100/month for licensed nursery schools and other approved early childhood programs.

**Table 5. Eligibility for fee subsidy: Social criteria (families and children)**

	<b>Families must meet at least one of the following criteria</b>
<b>Newfoundland and Labrador</b>	The parent is employed, attending school or taking part in a training program, attending health intervention services or a rehabilitation program on an ongoing basis, or the parent has a disability or illness. Or there is a need for services for child development as recommended by a health professional, or a need for family support as recommended by a social worker or other professional.
<b>Prince Edward Island</b>	The parent is employed, attending school or taking part in a training program, or has a medical need. Or the child has a diagnosed special need; the child's development is delayed or at risk of delay and child care is recommended to help prepare the child for school, or the child is in need of protection.
<b>Nova Scotia</b>	The parent is employed or looking for work, attending school or taking part in a training program, or has a short- or long-term illness. Or child care is recommended to meet the developmental needs of the child; this includes: social needs of the family, the child is in need of protection, or the child has developmental delay or is at risk of delay.
<b>New Brunswick</b>	The parent is employed, attending school or taking part in a training program; the parent has a medical need substantiated by a doctor (the maximum period for medical need is usually three months). Or the child has a special need or needs developmental support and is referred by public health.
<b>Ontario</b>	The parent is employed, attending school or taking part in a training program, engaged in employment assistance activities under <i>Ontario Works</i> ; the parent is unable to look after his/her child due to illness or disability, requires sleep during the day while working the night shift, or becomes temporarily unemployed while already in receipt of subsidy. Or the child has a special need as defined under regulation; the child has a social need due to issues with the home environment and is referred by Children's Aid, Public Health, family physician or other recognized professional or agency.
<b>Manitoba</b>	The parent is employed or looking for work, attending school or taking part in a training program, has a medical need and is undergoing treatment. Or the child has a special need based on a family plan that the parent, a professional and the child care provider will complete.
<b>Saskatchewan</b>	The parent is employed, attending school or taking part in a training program or receiving medical treatment. Or the child has a special need.
<b>Alberta</b>	The parent is employed, attending school or taking part in a training program, or the parent or child has a special need and is referred by a doctor, psychologist, social worker or other qualified professional.
<b>British Columbia</b>	The parent is employed or looking for work, attending school or taking part in a training program, or has a medical condition which interferes with his/her ability to care of the child. Or child care is recommended by the Ministry of Children and Family Development; or the child is attending a licensed preschool.
<b>Yukon</b>	The parent is employed or looking for work, attending or preparing to attend an education or training program, undertaking medical treatment or involved in a rehabilitation program. Or child care recommended as a child protection service, or approved by the director on the basis of special needs of the family or child, for child development purposes, due to a short-term family crisis, or for parental respite.
<b>Northwest Territories</b>	The parent is employed, attending school or taking part in a training program. Or a child is considered "at risk" and has a referral from a social worker, doctor, or other health professional.
<b>Nunavut</b>	The parent is employed, attending school or taking part in a training program. Or the child has a special need and child care is recommended by a recognized health care professional. Note: to be eligible for "regular" subsidy a parent must be 18 or older. See Table 14 for information on the <i>Young Parents Stay Learning</i> program for parents under 18.

Table 6. Eligibility for subsidy: Financial criteria

	<b>Turning point and break even point<sup>19</sup> by family size. The figures are based on annual net income, except where noted</b>
<b>Newfoundland and Labrador</b>	One parent one child: \$20,280 - \$42,960 (approx) Two parents, two children: \$20,640 - \$45,120 (approx) Effective date: Feb. 2005, backdated to January 1, 2005 Assets of up to \$2,500 are permitted; existing RRSPs are excluded but contributions to RRSPs are not permitted when being subsidized. If the parental payment is assessed to be less than \$10/month, the parent will be fully subsidized.
<b>Prince Edward Island</b>	One parent one child: \$13,440 - \$25,440 Two parents, two children: \$19,200 - \$51,040 Effective date: 1998, Note: The policy regarding inclusion of assets is under review.
<b>Nova Scotia</b>	One parent one child: \$16,800 - \$24,900 Two parents, two children: \$17,700 - \$34,980 Effective date: 1995. Liquid assets of up to \$10,000, including RRSPs are permitted
<b>New Brunswick</b>	\$22,000 - \$41,000 (all family sizes) Effective date: September 2004. Assets are not taken into account.
<b>Ontario</b>	Eligibility is determined by a needs test so there are no fixed income ceilings. CMSMs/DSSABs may set the ceiling on certain items, subject to provincial review, resulting in variation in eligibility across the province. There is a liquid asset ceiling of \$5,000 for one parent, one child, plus \$500 for each additional family member. RRSPs and RESPs are not included in the calculation of assets.
<b>Manitoba</b>	One parent one child: \$13,787 - \$24,577 Two parents, two children: \$18,895 - \$40,475 Effective date: 1991. Assets are not taken into account.
<b>Saskatchewan</b>	One parent one preschool child: \$19,800 - \$36,720 Two parents, two children \$21,000 - \$54,960 (one preschool, one toddler) Effective date: June 2003 Assets are not taken into account. Note: <b>Financial eligibility is based on gross income, and therefore is not comparable to other provinces/territories.</b>
<b>Alberta</b>	One parent one child: \$35,100 - \$52,200 Two parents, two children: \$39,600 - \$70,000 Effective date: November 1, 2005. Assets are not taken into account. Additional child care expenses for children under the age of 12 are deducted from income (e.g. care for school age children, overnight care, lunch programs, transportation costs and the cost of summer camp) Note: In August 2003, when the subsidy application process became available online, financial eligibility changed from net to <b>gross income so eligibility is not comparable to other provinces/territories.</b> The effective income ceilings did not change;
<b>British Columbia</b>	One parent one child: \$30,984 - \$48,984 Two parents two children \$35,016 - \$71,016 Effective date: October 1, 2005 Assets are not taken into account. See Table 13 for financial eligibility for unregulated care.
<b>Yukon</b>	One parent one child: \$20,316 - \$32,196 Two parents, two children: \$30,024 - \$52,704 Effective date: 2001. Assets are not taken into account, and up to 5% of a parent's gross annual income is permitted to be used for RRSP contributions.
<b>Northwest Territories</b>	Eligibility is determined by a needs test so there are no fixed income ceilings. Determination of need is based on income assistance levels. All assets are taken into account in determine need, including RRSPs. The exception is a private vehicle worth up to \$20,000, which is excluded from asset calculation.
<b>Nunavut</b>	Eligibility is determined by a needs test so there are no fixed income ceilings. Loan, credit card and vehicle payments are not considered basic needs so are not used in the calculation of the needs assessment. Subsidy is part of the Social Assistance Program; therefore, parents are expected to avail themselves of all income, such as bank accounts and RRSPs before they will become eligible for a fee subsidy. RESPs are exempt.

<sup>19</sup> The turning point is the income level up to which a full subsidy is available. Partial subsidy is available on a sliding scale based on income, up to the break-even point – the income level at which all subsidy ceases.

**Table 7. The subsidy approval and reassessment process**

<b>Newfoundland and Labrador</b>	Initial assessments are usually in-person; they may be done by mail-in if the parent does not require assistance in completing the forms. No income test is done on families receiving social assistance, as they have already been needs tested. Child care services staff in the Department of Health and Community Services determine the frequency of review dates on an individual basis; the minimum is once a year.
<b>Prince Edward Island</b>	Initial assessments may be done by telephone, followed by an in-person interview. Approval for subsidy may be backdated to the date of the initial parent contact with the Health Authority, which conducts the assessment. Approvals are generally for a six-month period. If the parent is in a steady job with no income fluctuations, subsidy may be approved for 8-9 months.
<b>Nova Scotia</b>	Initial assessments are usually conducted in person by a Child Care Subsidy Caseworker. They may be done by mail and followed up by telephone, especially in rural areas where distance and transportation may be an issue. Approvals are usually for a year, after which time a review is conducted.
<b>New Brunswick</b>	Initial assessments are conducted by telephone. If a parent is likely to be eligible, an in-person meeting follows. Subsidy for parents on social assistance is reviewed annually. Approvals for other parents are generally for a six-month period. If the parent has a job with bonus incentives, such as at a call centre, subsidy is usually reviewed every month. Renewals are done by mail-in form.
<b>Ontario</b>	Initial assessments are conducted in person by local government bodies (CMSMs/DSSABs) Renewals are required at least annually. Updates may be done by mail-in at the discretion of the CMSM/DSSAB. Parents involved with <i>Ontario Works</i> or the <i>Ontario Disability Support</i> program are not needs tested for purposes of child care subsidy as they are already deemed eligible.
<b>Manitoba</b>	Initial assessments are usually conducted by mail in or online application. In-person assessment is available if the family has difficulty completing the application. The child care facility may also help the parent complete the application. Approval periods depend on the reason for care; employed parents are usually approved for one year, after which time they must reapply. Subsidy approvals may be backdated to the beginning of the four-week period in which the parent submits their application.
<b>Saskatchewan</b>	Initial assessments are made primarily by a mail-in application to a central Administration office in Regina. To be eligible for subsidy from the time a child is enrolled in a facility, the parent must submit their application within 15 days of the enrolment date. Parents with stable employment are reassessed every six months; students are reassessed at the end of the school term. Parents must reapply for subsidy if the child care arrangement changes.
<b>Alberta</b>	The Regional Child and Family Services Authorities <sup>20</sup> are responsible for approving subsidies. Initial assessments may be done in-person, by mail or online. The frequency of subsidy renewals depends on the reason for care. If the parent is employed renewals are usually conducted annually. The introduction of the electronic application process in August 2003 changed the frequency of renewal to a ten-month period after an initial two-month conditional approval period. Parents must secure a space prior to being approved for subsidy. They soonest they may apply is the first day of the month prior to the month of the child's enrolment; the latest they can apply is the last day of the month following the month of enrolment.
<b>British Columbia</b>	Initial assessments are conducted through either by phone or mail-in application in four of the five regions of the Ministry of Employment and Income Assistance, and in person in one region. Child care subsidy may be paid from the first day of the month in which the parent completes a subsidy application. If there is an undue delay in scheduling the appointment for application or an administrative error has been made, a child care subsidy may be paid for child care provided in the 30 days before the parent completes an application. Parents' eligibility for subsidy is reviewed every six months.
<b>Yukon</b>	Initial assessments are conducted through a mail-in application to the Whitehorse office. In-person support is available for those who need it but in-person meetings are not required. Re-application must be made every six-months or earlier as required by the department Subsidy approvals may be given for the full month in the month in which the parent applies, regardless of the date. Eligibility must be determined within 20 business days of the application being received.
<b>Northwest Territories</b>	Initial assessments are usually done in-person but may be done through a mail-in process in some locations. Working parents who receive income assistance are automatically deemed eligible for child care subsidy. Parents must provide proof of expenses and income each month. Students are required to submit their own as well as their child's attendance records, and are expected to maintain 80% attendance at school. Every 12 months parents must re-establish their eligibility through a full assessment.
<b>Nunavut</b>	Initial assessments may be done in-person, by mail-in application or by fax. Subsidy may be approved from the first day of the month in which the parent applies. Parents who are working or using child care due to the special needs of their child must reapply for subsidy every year.

<sup>20</sup> Child care services are administered through 10 Child and Family Services Authorities (CFSA). The province provides funding to each CFSA, which in turn allocates funds for local services and is accountable to the Minister of Children's Services for the use of the funds.

Table 8. Accessing subsidy

<b>Newfoundland and Labrador</b>	Child care subsidy is attached to the child and not a particular centre/home. There are no waiting lists for subsidy.
<b>Prince Edward Island</b>	Child care subsidy is attached to the child and not to a particular centre/home. The subsidy budget is capped but eligible parents are always approved. There have been no waiting lists for subsidy.
<b>Nova Scotia</b>	Prior to 2000, subsidies were assigned to non-profit centres and were not transferable. Since 2000, new subsidized spaces are portable and assigned to the child in any eligible profit or non-profit centre. There is a finite number of subsidies available so there may be waiting lists for both portable and regular subsidized spaces.
<b>New Brunswick</b>	The subsidy budget is capped but there are generally no waiting lists. If there are more referrals for subsidized Integrated Day Care (child care for children with special needs) than spaces available, allocation is based on geography, program and risk criteria.
<b>Ontario</b>	There is a cap on the provincial subsidy budget and there are often waiting lists in municipalities/regions. Local governments (CMSMs/DSSABs) may allocate a specific number of subsidized spaces to a particular program, allocate according to priorities or may allow them to float.
<b>Manitoba</b>	Subsidy is attached to the child and can be used in any licensed facility. The subsidy budget is fixed but there are no waiting lists.
<b>Saskatchewan</b>	There are a fixed number of subsidized spaces on a centre's or home's license; however the number often corresponds to the total number of licensed spaces. Subsidy is not an entitlement but there are no waiting lists.
<b>Alberta</b>	Subsidy is an entitlement for eligible families. Some centres maintain waiting lists while others regularly have vacancies. Subsidy is attached to the child and may be used in any licensed program of the parent's choice.
<b>British Columbia</b>	Subsidy is an entitlement for eligible families and there are no waiting lists. The subsidy follows the child and is not attached to a specific child care program.
<b>Yukon</b>	Subsidy is an entitlement and there are no waiting lists
<b>Northwest Territories</b>	Subsidy is an entitlement and there are no waiting lists.
<b>Nunavut</b>	Subsidy is an entitlement and there are no waiting lists. If demand exceeds the approved subsidy budget, additional funding is usually approved.

**Table 9. Conditions and limitations of subsidy for parents**

<b>Newfoundland and Labrador</b>	Subsidy is generally not available for parents who are looking for work but a parent may be approved on a case-by-case basis. Parents on maternity/parental leave are only eligible for subsidy if the child is attending for child development or family support reasons. Students attending consecutive terms at an educational facility may receive subsidy for up to one month between terms.
<b>Prince Edward Island</b>	Subsidy for parents looking for work is approved on a case-by-case basis, usually for a short period of time and on a part-time basis. Subsidy may be approved for a parent on maternity/parental leave, usually for medical reasons or if the child is subsidized under the social need category. Students may continue to be subsidized during short school breaks (such as over Christmas), or if they have a job starting within a relatively short period after the end of the school year.
<b>Nova Scotia</b>	Subsidy for parents looking for work is usually approved for a six-month period, and the parent is required to document work searches. Longer periods may be approved on an individual basis if there is a strong recommendation from a reporting agency. Parents of subsidized children who are receiving Employment Insurance benefits, including maternity/parental, regular or sick benefits are considered to meet the social eligibility for subsidy, and may continue to receive subsidy as long as they still meet the financial criteria. Students may receive subsidy during school breaks as long as they continue to meet the financial eligibility. Parents with a portable subsidy can move between child care centres and continue to use subsidy. Parents with a subsidy designated to a particular centre may not take the subsidy to another centre; the other centre must have a vacant subsidized space for the child to move into.
<b>New Brunswick</b>	Subsidy is generally not available for parents who are looking for work unless they are on social assistance and the job search is part of a case plan. Subsidy during a parent's maternity/parental leave is approved on a case-by-case basis if there is a documented need for child care. Parents attending high school are subsidized at a higher rate of \$25/day. If the student works during school holidays the subsidy stays at the higher rate until the student has completed high school. Upon completing their high school studies, parents may receive subsidy for up to 3 months to pursue further education or employment. Other students continue to receive subsidy during spring and Christmas breaks. During the summer they must either attend the summer session or be employed for their subsidy to continue.
<b>Ontario</b>	A parent's recognized need for fee subsidy eligibility includes a parent who already has a child care fee subsidy becomes temporarily unemployed. There is no provincial policy on the length of time, which is at the discretion of the local governments (CMSM/DSSAB). Parents on maternity/parental leave are not usually eligible for subsidy unless there are other circumstances, such as the special needs or social needs of the child, or the parent is ill and unable to care for the children. Students on semester breaks must be working or taking sufficient courses during the summer to continue subsidy, or they must meet the social criteria listed above. Local government (CMSMs/DSSABs) criteria are expected to be consistent with the provincial policy statement.
<b>Manitoba</b>	Subsidy for parents looking for work may be available for up to eight weeks, after which time they may not receive subsidy under the looking for work category for one year. Parents on maternity/parental leave may receive subsidy only if they were subsidized under the special family need category. Parents attending an educational/training program may receive subsidy during semester breaks under the looking for work category.
<b>Saskatchewan</b>	Parents may be eligible for subsidy for up to four months while actively looking for work. If employment is not secured the parent may not reapply under this provision for one year, unless they have been in school or a retraining program for at least four months. All parents on maternity/parental leave may continue to receive subsidy for an older child for two months, longer if there is a referral from a health professional or social worker. Students are reassessed during the summer break to determine if they meet eligibility requirements to continue their subsidy.
<b>Alberta</b>	Parents may be eligible for subsidy for up to two months while looking for work, and for a maximum of two months if volunteering and it is expected to lead to employment or enrolment in an education program. Parents on maternity/parental leave are not eligible for subsidy unless there is a special need. Students may receive subsidy between school terms if they continue to meet all other eligibility criteria (i.e. looking for work, working, parent or child has a special need.)
<b>British Columbia</b>	Parents conducting an organized job search may receive subsidy for a three-month period, with the possibility of a three-month renewal, for a maximum of nine consecutive months at any one time. The amount of subsidy must match the hours spent in active job search. Parents on maternity/parental leave are eligible for subsidy only if they meet one of the social criteria. Student parents' subsidies end at the end of the term or session unless they are looking for work or working
<b>Yukon</b>	Parents who are looking for work may be subsidized for up to two months for up to 100 hours of care/month. An extension may be possible at the discretion of the subsidy supervisor. The amount of care provided must be consistent with the amount of time the parent is necessarily absent from the home engaged in activities eligible for subsidy. A parent on maternity/parental leave may be eligible for subsidy for an older child if the child is attending for child development reasons or the parent(s) requires respite to cover a short-term crisis or medical condition. Students may receive subsidy between terms as long as they are looking for work.
<b>Northwest Territories</b>	There is no provision for subsidy for parents who are looking for work or who are on maternity/parental leave unless the child is receiving subsidy under the "at risk" category. Parents must require a minimum of 15 hours/week of child care for children 0-5 or after school care for school age in order to be eligible for subsidy.
<b>Nunavut</b>	Parents are not eligible for subsidy while looking for work or while on maternity or parental leave unless the child has been recommended for child care by a health care professional. If the parent is a student, subsidy ends on the last day of the school session. Parents may continue to be eligible if they find employment. A parent must be over the age of 18 in order to receive a regular child care subsidy.

**Table 10. Conditions and limitations of subsidy for children**

<b>Newfoundland and Labrador</b>	<p>Children may be subsidized until the day before their 13<sup>th</sup> birthday.</p> <p>There is no additional age eligibility for children with disabilities.</p> <p>Children are allowed to be absent for a “valid” reason, such as illness or family vacation. Unexplained absences of more than three days are reported to the subsidy office, which follows up with the parent to determine the continued need for child care.</p>
<b>Prince Edward Island</b>	<p>Children may be subsidized until their 12<sup>th</sup> birthday.</p> <p>Children over 12 with disabilities may receive funding through the Disability Support Program if a centre will enrol them. If a subsidized child is absent from child care for more than three days the parent is required to inform the child care program as to the reason.</p> <p>Subsidized parents may take vacation in accordance with the centre’s policy for full-fee parents.</p>
<b>Nova Scotia</b>	<p>Children may be subsidized up to their 13<sup>th</sup> birthday. When a child turns 12 years of age during a school year, subsidy will continue to be paid up to, but not including, the new school year which is usually September. Once children turn 13, they are no longer eligible for subsidy. There is no age extension for children with special needs.</p> <p>Subsidized children may be absent from their child care program for three days/month, plus an additional five days for illness (more if the illness is documented). Generally, families are entitled to 15 vacation days/fiscal year are allowed for vacation. An additional five days can be granted in situations where legal documents are provided that support joint or shared custody or other court ordered access.</p>
<b>New Brunswick</b>	<p>Children may be subsidized until the end of the school year in which they turn 12.</p> <p>Children with special needs may be subsidized until they are 21; however few centres will enrol a child older than 14. If a child is absent more than 5 days in a month, the case manager reviews the continued need for child care.</p> <p>Vacation absences are permitted if the parent is working.</p>
<b>Ontario</b>	<p>Children generally may be subsidized until their 11<sup>th</sup> birthday, or until their 13<sup>th</sup> birthday in special circumstances.</p> <p>Children with special needs may be subsidized until their 18<sup>th</sup> birthday.</p> <p>Policies on child absences are at the discretion of the CMSM/DSSAB.</p> <p>For example, in the City of Toronto, if the child is ill for 10 days or more, parents must complete a “Declaration of Absence Due to Illness” form or provide a doctors note confirming the illness. Subsidy may be suspended if the illness results in an absence of more than 20 days.</p> <p>The child may be on vacation for up to 15 days/year. Sole support parents may apply for an additional 10 days vacation for the child to may vacation with grandparents, his/her absent parent or to attend a non-subsidized camp.</p>
<b>Manitoba</b>	<p>Children may be subsidized up their 13<sup>th</sup> birthday.</p> <p>Child with special needs may be subsidized up to their 18<sup>th</sup> birthday. In practice children are not usually enrolled in a child care program beyond the age of 15.</p> <p>The child may be absent for 15% of approved days, regardless of the reason. Additional absences are permitted under special circumstances. Parents pay the \$2.40/day for days their child is absent.</p>
<b>Saskatchewan</b>	<p>Children may be subsidized until their 13<sup>th</sup> birthday. Children with a disability may be subsidized until they are 15.</p> <p>The child must attend child care for a minimum of 36 hours a month; subsidy may be paid if, due to illness, the child attends for fewer than 36 hours and a doctor’s note is provided.</p> <p>Subsidy is paid for up to 15 vacation days a year if the parent is working or attending school.</p>
<b>Alberta</b>	<p>Children may be subsidized until they are 7 years and not yet attending grade 1.</p> <p>Children with a special need may continue to receive subsidy until they turn 7 or are in grade 1. If there is a continued need for subsidy beyond that point, the family is referred to Family Supports for Children with Disabilities program.</p> <p>There is no fixed policy on allowable absences but “underutilization” is reviewed after two months</p>
<b>British Columbia</b>	<p>Children may be subsidized until their 13<sup>th</sup> birthday.</p> <p>Children with a special need may be eligible until their 18<sup>th</sup> birthday.</p> <p>Subsidy may be paid if the child is absent for up to two weeks when the child is on vacation or when the child or parent is sick.</p>
<b>Yukon</b>	<p>Children may be subsidized until the month they turn 13.</p> <p>Children with a special need may be subsidized until they are 16.</p> <p>There is no specific policy that covers absences of a subsidized child; the policy from the operating grant is used, which allows for a child to be absent four weeks before funding for space ceases. If there are extenuating circumstances the period may be extended beyond four weeks.</p>
<b>Northwest Territories</b>	<p>Children may be subsidized until their 12<sup>th</sup> birthday.</p> <p>There is no age extension for children with special needs.</p> <p>There is no set policy on allowable absences; the subsidy officer has some discretion according to the reason for the absence. If the service provider requires payment for vacation absences, the department may cover that time period.</p>
<b>Nunavut</b>	<p>Children may be subsidized up to their 12<sup>th</sup> birthday.</p> <p>There is no age extension for a child with a disability</p> <p>Children may be absent from the child care program for up to five days/month for illness, or for longer if there is a confirmed medical reason. The department does not pay for unexplained absences. It also does not pay for absence due to vacation; however most service providers do not charge for vacation periods.</p>

**Table 11. Maximum daily subsidy rates<sup>21</sup> in regulated child care and date of last change**

<b>Newfoundland and Labrador</b>	0-24 months: full-day (8.5 hrs) \$30; part-day (up to 4.5 hrs) \$15.74 2-12 years: full-day \$21.25; part-day \$11.25 Effective date of rates: 1999
<b>Prince Edward Island</b>	0-2 yrs - \$24.00; 2-3 yrs - \$20.00; 3+ yrs - \$19.00; school-age \$18.00 Effective date of rates : 1998
<b>Nova Scotia</b>	17 months and under - \$22.00; 18-35 months - \$19.00; 3-5 yrs - \$19.00; school-age \$17.70 Effective date of rates: January, 2005 <b>Note:</b> There is a minimum user fee of \$2.25/family. In order to be comparable to other provinces/ territories the \$2.25 should be deducted from the rates reported above for the first child in the family. (There is no minimum user fee for additional children).
<b>New Brunswick</b>	0-2 yrs - \$22.00 full-day \$11.25 part-day; 2-6 yrs - \$20.00; school-age and part-day preschool rate - \$10.75 Effective date of rates: September, 2004
<b>Ontario</b>	Determination of subsidy rates is a local government decision although the province permits subsidization up to the actual cost of care, or the fee that is charged to full-fee parents, whichever is lower.
<b>Manitoba</b>	Subsidy rates are the same as the permitted maximum full fee, less the minimum parents' fee of \$2.40/child/day. Infants \$28; Preschool \$18.80; Nursery school: \$8.20 The maximum subsidy paid is therefore \$25.60 for an infant and \$16.40 for a preschooler. Care that exceeds 10 hours/day is subsidized at a higher rate, but the maximum amount paid for a preschooler over the year cannot exceed \$4,264. Effective date of rates: 2000.
<b>Saskatchewan</b>	Infants: centre \$18.57 (\$390); family child care \$15.71 (\$330); teen child care centres \$15 (\$315) Toddlers: centre \$15.95 (\$335); family child care \$15 (\$315); teen child care centres \$12.38 (\$260) Preschoolers centre \$13.10 (\$275); family child care \$13.10 (\$275); teen child care centres \$12.38 (\$260) School-age: \$10 (\$210); \$13.10 (\$275) in the summer months. Effective date of rates: June 2005
<b>Alberta</b>	Infants: centre \$27.38 (\$575); family child care \$22.62 (\$475) Preschool: centre \$23.81 (\$500); family child care \$19.05 (\$400). Effective date of rates: November 1, 2005 <sup>22</sup>
<b>British Columbia<sup>23</sup></b>	0-18 mo: centre \$37.50/day \$750/month; licensed family child care \$30/day, \$600/mo 19-36 mo: centre \$31.75/day, \$635/mo; licensed family child care \$30/day, \$600/mo over 36 mo: centre \$27.50/day, \$550/month; licensed family child care \$27.50/day, \$550/mo school age: centre \$20.75/day; \$415/mo; licensed family child care \$20.75/day, \$415/mo Part-day care is half the amount of full-day care. Licensed preschool (nursery school) up to 4 hrs/day: \$11.25/day, \$225/month. Effective date of rates: October 2005
<b>Yukon</b>	Infant: \$23.81 (\$500); Preschool age \$21.43 (\$450); School-age \$10.71 (\$225) Child with special needs maximum of \$23.81 (\$500). Effective date of rates: 1991 (est.).
<b>Northwest Territories<sup>24</sup></b>	All ages: centre: \$32/day, \$700/month All ages, regulated day home: \$28/day, \$600/month Part-time rates are half of the full-time rates. Effective date of rates: 2000
<b>Nunavut<sup>25</sup></b>	All ages: centre: \$32/day, \$700/month All ages, regulated day home: \$28/day, \$600/month Part-time rates are half of the full-time rates Part-time rates are half of the full-time rates Effective date of rates: 1999.

<sup>21</sup> Where provinces/territories provide only monthly rates, the daily rate has been calculated by dividing the monthly rate by 21 days to provide comparability with other provinces/territories. In these cases the monthly rate is shown in parentheses. Where provinces/territories provide both a daily and a monthly rate they have both been included. All rates are full-day except where noted

<sup>22</sup> Effective November 1, 2005 Alberta allows families working shifts or non-traditional hours an additional \$100/month over an above the regular subsidy rates. Effective January 1, 2006 stay-at-home parents who meet the financial eligibility criteria will be able to receive up to \$100/month for licensed nursery schools and other approved early childhood programs

<sup>23</sup> See Table 13 for subsidy rates in unregulated care

<sup>24</sup> See Table 13 for subsidy rates in unregulated care

<sup>25</sup> See Table 13 for subsidy rates in unregulated care



**Table 12. Minimum user fees and surcharges**

<b>Newfoundland and Labrador</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are not required to charge subsidized parents the difference, but they may if they choose to do so.
<b>Prince Edward Island</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are not required to charge subsidized parents the difference, but they may if they choose to do so. Approximately half the centres charge fees higher than the maximum subsidy rates, but not all charge subsidized parents the difference.
<b>Nova Scotia</b>	There is a minimum Assessed Daily Parent Fee (user fee) of \$2.25/day/family. The amount of the Assessed Daily Parent Fee is based on a sliding scale according to net family income and family composition. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are required to charge subsidized parents the difference between their subsidy and the full fee.
<b>New Brunswick</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are required to charge subsidized parents the difference between their subsidy and the full fee.
<b>Ontario</b>	There is no provincial minimum user fee but there are locally determined user fees. According to the provincial <i>Fee Subsidy Management Delivery agents</i> (CMSMs/DSSABs) are encouraged to adopt parent fee practices that ensure subsidized parents do not pay fees that exceed their ability to pay as determined by the needs test.
<b>Manitoba</b>	There is a user fee of \$2.40/day/child. <sup>26</sup> Facilities may not surcharge parents beyond the user fee. The Employment and Income Assistance Division of Family Services pays \$1.00/day of the user fee for parents on social assistance. Centres may charge parents an additional fee for lunch or for transportation as long as a parent has the option of bringing the child's own lunch.
<b>Saskatchewan</b>	There is a minimum user fee of 10% of the full fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are required to charge subsidized parents the difference between their subsidy and the full fee. The Child Day Care Branch pays the parent portion for parents on social assistance who have a child with special needs, when the parent is not involved in an employment or training program. Training allowances and other programs may cover the parent portion of the fee in other circumstances.
<b>Alberta</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are required to charge subsidized parents the difference between their subsidy and the full fee.
<b>British Columbia</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are not required to charge subsidized parents the difference, but they may if they choose to do so. Surcharges may be paid on behalf of parents whose children are part of a "risk reduction plan" under the <i>Child and Family Services Act</i> , or the child is recommended under the Act for a parent participating in a Young Parent Program.
<b>Yukon</b>	There is no minimum user fee. Programs may charge above the subsidy rates. If the full fee is higher than the maximum subsidy rate centres are not required to charge subsidized parents the difference, but they may if they choose to do so.
<b>Northwest Territories</b>	There is no minimum user fee. Programs may surcharge above the subsidy rates. If the full fee is higher than the maximum subsidy rate, centres are not required to charge subsidized parents the difference, but in practice, most that charge fees higher than the maximum subsidy charge the difference.
<b>Nunavut</b>	There is no minimum user fee. Programs may surcharge above the subsidy rates. Centres that charge higher fees are not required to charge subsidized parents the difference but typically do so. However most centres charge fees consistent with the maximum subsidy rates.

<sup>26</sup> Manitoba regulates the maximum fees that may be charged by funded centres. Parents may be subsidized, on a sliding scale based on income, to the maximum fee, less a \$2.40 minimum daily user fee/child.

**Table 13. Subsidy and other fee assistance in unregulated child care**

<b>Newfoundland and Labrador</b>	Families on income support who need child care for whom a regulated space is not available may receive \$325/month for the first child and \$125/month for each additional child for unregulated care from the Department of Human Resources, Labour and Employment. Payment is made directly to the parent.
<b>Prince Edward Island</b>	The provincial social assistance budget may provide funding for unregulated care (when regulated care is not available) for infants, for extended hour care or for occasional “babysitting” costs.
<b>Nova Scotia</b>	Parents in receipt of the province's social assistance program who are working, involved in an employability program or are unable to look after their children because of their health may receive a Child Care Allowance (as part of their social assistance payment) to assist with child care costs. The Child Care Allowance can be used for any form of licensed, unlicensed or relative care, except care provided by a spouse, legal guardian or dependent child. Parents receiving the Child Care Allowance who choose to use licensed care are eligible for maximum subsidy without an income test; the Child Care Allowance is provided in addition to the subsidy amount. Parents may receive up to \$400/family/month. Children who are permanent wards, temporary wards or involved in a family support program may be eligible for child care funding. Care may be provided in licensed, unlicensed or relative care, except a spouse, legal guardian or dependent child. If the care is unlicensed, the provider must undergo a police check and not be on the Child Abuse Register. If the child is a ward, the full cost of care is covered.
<b>New Brunswick</b>	The Alternative Child Care Program is available for parents who cannot access a regulated child care space. Parents may qualify for a maximum daily amount of \$18.50 for infants, \$16.50 for children aged two years and older, and \$9.25 for after school care to use in an arrangement of their choice.
<b>Ontario</b>	<i>Ontario Works</i> fee subsidies may be used in regulated or unregulated care. The maximum subsidy for <i>Ontario Works</i> unregulated child care is \$600/month and is given directly to the parent.
<b>Manitoba</b>	The Director (as defined in the child care regulations) has the ability to approve subsidy for unlicensed care. This is occasionally used, for example as a bridging mechanism if a centre closes and families are waiting for a space in another program. The rate paid is the same as in licensed care. Employment and Income Assistance may pay for unlicensed child care if licensed care cannot be found for the child of a recipient of Income Assistance.
<b>Saskatchewan</b>	The Saskatchewan Assistance Program pays the parent portion of regulated care or the community average cost of unregulated care for parents on social assistance who are involved in an employment, training or rehabilitation program. Payment is made directly to the parent.
<b>Alberta</b>	Kin Child Care provides eligible low-income families with \$300 per month per child to pay relatives to care for their children where there are limited child care options. To be eligible, parents must be working, seeking work, attending post secondary education, have a special need, or have a child with a special need. The relative caregiver must not reside in the child's family home.
<b>British Columbia</b>	Regular fee subsidies are available for unregulated family child care and for care in the child's own home. There are two types of unregulated family child care: <i>licence-not-required</i> (LNR) care, in which a caregiver may care for a maximum of two children unrelated to the caregiver, and <i>registered</i> LNR care, in which the caregiver may care for a maximum of two children unrelated to the caregiver, and who is registered with a Child Care Resource and Referral program and meets the conditions of membership. Fee subsidies are paid to the caregiver on behalf of eligible parents, except when care is provided in the child's home, in which case payment is made directly to the parent. Parents who have child care in their own home may not receive subsidy for a caregiver who is a relative residing with the family. If unregulated care is used the parent must complete a Child Care Subsidy Checklist on the provider. Subsidy rates in unregulated care are as follows: <i>Registered "license-not-required"</i> 0-36 mo \$600/mo \$30/day; over 36 mo. \$550/mo \$27.50/day; school age \$415/mo \$20.75/day <i>"License-not-required"</i> 0-18 mo \$438/mo \$21.90/day; 19-36 mo \$404/mo \$20.20/day 36 mo+: \$354/mo \$17.70/day <i>In-child's home care</i> First child (0-18 mo): \$394/mo \$19.70/day; First child (over 18 mo): \$318/mo \$15.90/day 2 <sup>nd</sup> child (over 18 mo): \$198/mo \$9.90/day; each additional child: \$147/mo \$7.35/day out of school kindergarten \$340/mo \$17/day; grade 1 and up \$173/mo \$8.65/day
<b>Yukon</b>	Funding for unregulated care may be available through the social assistance budget for eligible families if regulated care is not available, to a maximum of \$3/hour.
<b>Northwest territories</b>	Regular fee subsidies are available for unregulated care; and payment is made directly to the parent. Subsidy is not available for children to be cared for by their parents, however, other relatives, including siblings over the age of 16, are permitted. Caregivers under 16 are permitted if the care is provided after school hours (except from 11pm-7am), on weekends and on school holidays. The rate for unregulated care is \$500/month or \$23/day
<b>Nunavut</b>	Regular fee subsidies are available for unregulated care; and payment is made directly to the parent. Payment is based on an attendance record signed by the provider. Eligible caregivers include relatives of the child with the exception of the child's parent. The rate for unregulated care is \$500/month or \$23/day.

**Table 14. Additional information**

<b>Newfoundland and Labrador</b>	<p>One-time centre registration fees are covered to a maximum of \$25.</p> <p>Transportation may be subsidized at a flat rate for a maximum of two trips/day if it is provided by the child care centre or family child care home, organized by regional child care service, or arranged/provided by the parent. The Regional Child Care Services Director may put out a call for tender for transportation by taxi. Transportation provided by parents is paid at a flat rate per kilometre.</p> <p>Provincial child care subsidies are available to families using licensed child care on-reserve</p>
<b>Nova Scotia</b>	<p>Children who are permanent wards, temporary wards or involved in a family support program may be eligible for child care funding. Care may be provided in licensed, unlicensed or relative care, except a spouse, legal guardian or dependent child. If the child is a ward, the full cost of care is covered. If there is a supervision order or family support, the parent is encouraged to apply for subsidy. When using licensed care, the minimum parent fee and surcharge may be covered.</p> <p>Provincial child care subsidies are not available to families using child care on-reserve.</p>
<b>New Brunswick</b>	<p>Provincial child care subsidies are not available to families using child care on-reserve.</p>
<b>Ontario</b>	<p>Local governments (CMSMs and DSSABs) are responsible for managing the delivery of child care and are required to contribute at least 20% of the government funding for child care program costs, including the approved budget for fee subsidies, and 50% of child care administration costs. The ministry enters into funding agreements and service contracts with the CMSMs/DSSABs for provision of child care services, reporting requirements and adherence to policies and protocols.</p> <p>Ontario cost-shares fee subsidies for licensed on-reserve child care programs on an 80/20 basis with First Nations. First Nations manage the fee subsidy system in their communities. Ontario recovers the majority of expenditures on fee subsidies for First Nations communities from the federal government under the 1965 memorandum of Agreement Respecting Welfare programs for Indians.</p>
<b>Manitoba</b>	<p>Provincial child care subsidies are not available to families using child care on-reserve.</p>
<b>Saskatchewan</b>	<p>Provincial child care subsidies are not available to families using child care on-reserve.</p>
<b>Alberta</b>	<p>Child care centres on-reserve are not licensed. However, under an agreement between Alberta and the federal government, on-reserve child care centres are eligible for funding equivalent to parent subsidies when provincial licensing standards are met.</p>
<b>British Columbia</b>	<p>British Columbia provides subsidies in licensed preschools (nursery schools) for families who meet the financial eligibility criteria. They do not have to meet any additional social criteria.</p> <p>Provincial child care subsidies are available to families using licensed child care on-reserve.</p>
<b>Yukon</b>	<p>First Nations and Inuit child care funding has no relationship to territorial subsidy or other territorial funding.</p>
<b>Northwest Territories</b>	<p>Benefits paid under the child care subsidy are reportable to Canada Customs and Revenue Agency.</p> <p>First Nations and Inuit child care funding has no relationship to territorial subsidy or other territorial funding.</p>
<b>Nunavut</b>	<p>Effective April 1, 2005 the <i>Young Parents Stay Learning</i> Program came into effect as program separate from regular subsidy. Parents must be under the age of 18 and attending school. Eligibility does not require a needs test. The parent must use regulated child care. The maximum rates are the same as the regular subsidy rates. The parent's school attendance records are sent to the Early Childhood Officer along with the child's attendance records. There is an expectation that the parent will be attending school unless they are ill or have an excused absence.</p> <p>All payments made directly to parents, or to the child care program on behalf of the parents are considered taxable income. Any parent that is eligible and receives the subsidy will receive a T5 for the amount paid. Child care programs that receive the payment from the government credit the parents account as if the parent themselves paid, thereby getting the receipt for all payments made on their behalf that they can then use on the income tax forms. (to balance out the T5s)</p> <p>The Aboriginal Human Resource Development Strategy (AHRDS) in each of the three regions of Nunavut is responsible for the delivery of the Inuit Childcare Program, established with FNICCI (First Nations/Inuit Child Care Initiatives funding. Parents may be eligible for up to 50% of their child care costs, paid directly to the child care program. If a parent's income is such that they may be eligible for a higher subsidy they are encouraged to apply for territorial subsidy. Parents may be subsidized by the territory or the AHRDS, but not both.</p>

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## Thanks...

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Jane Beach and Martha Friendly



design by Billie Carroll

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## ABOUT THE QUALITY BY DESIGN PROJECT

[www.childcarequality.ca](http://www.childcarequality.ca)

The Quality by Design Project is intended to promote and inform discussion, debate and knowledge about quality in early learning and child care (ELCC). This project builds upon previous work to broaden and deepen Canadian approaches to quality in ELCC. It is intended to contribute to quality as Canada's new national ELCC program - framed by the "QUAD" principles of Quality, Universality, Accessibility and Developmental [ness] - develops.



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The Childcare Resource and Research Unit (CRRU) at the University of Toronto is a policy research facility that focuses on early learning and child care (ELCC). CRRU's mandate is to carry out and disseminate research and policy analysis, to support ELCC research in various disciplines, to provide education, resources and expertise on ELCC policy, research and programs and to play a role in shaping public policy. CRRU produces several kinds of publications and maintains a comprehensive ELCC resource collection and a extensive website that acts as a clearinghouse for the ELCC field.