



# ERIN WEIR

for Saskatchewan NDP Leader

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## Childcare Backgrounder

### Number of Spaces

Even if childcare is made universally available, not all families would use it. The most recent Childcare Resource and Research Unit report indicates that, in 2008, Quebec had 105,000 centre-based spaces for preschoolers (18 months to four years) relative to a population of 229,000 children between the ages of two and four. In other words, about half of children in that age range use the public childcare system.

At that time, Saskatchewan had 33,000 children between the ages of two and four and a further 10,000 enrolled in half-day kindergarten at age five. Based on subsequent population growth, these figures could be up to 40,000 and 11,000. If half of children between the ages of two and four would use a full space and half of five-year-olds would use half a space, Saskatchewan would need 23,000 spaces for these children.

The last Childcare Resource and Research Unit report indicates that about half of Saskatchewan's regulated childcare spaces were for children between the ages of two and five. If that proportion still applies to Saskatchewan's current total of 13,000 regulated spaces, then an additional 17,000 are needed (i.e.  $23,000 - 13,000 / 2$ ).

### Operating Costs

Under the government's current approach, each new space costs about \$4,000 annually. Therefore, 17,000 new spaces would cost \$68 million annually.

The last Childcare Resource and Research Unit report indicates an average monthly fee of \$450 for centre-based care. Assuming a subsequent increase to \$550, the annual fee is now \$6,600. The \$7/day fee would amount to an annual fee of \$1,700 (i.e.  $\$7 * 5 \text{ weekdays} * 49 \text{ non-vacation weeks}$ ). The provincial government would have to cover the difference of \$4,900. For all 23,000 spaces, that annual cost would be \$113 million.

Therefore, the program's annual operating cost would be about \$180 million (i.e. \$68 million + \$113 million).

### Other Costs and Savings

Under the government's current approach, the capital cost of a new space is \$8,000. Making use of existing schools would reduce this cost. But even at \$8,000 per space, the total capital cost for 17,000 new spaces would be \$136 million. Financing that at a 6% interest rate would entail an annual cost of only \$8 million.

On the other hand, the Ministry of Social Services currently spends \$18 million on childcare subsidies, which would mostly be unnecessary with fees already reduced to \$7 per day. Therefore, the savings from reduced subsidies would easily cover the program's capital cost.