

FUNDING AGREEMENT, OCTOBER 28, 2005

CANADA-QUÉBEC AGREEMENT ON EARLY LEARNING AND CHILD CARE

BETWEEN: **THE GOVERNMENT OF CANADA**, represented by the Minister of Social Development, (herein referred to as “Canada”)

AND: **THE GOVERNMENT OF QUÉBEC**, represented by the Minister of Families, Seniors and the Status of Women and the Minister responsible for Canadian Intergovernmental Affairs, Francophones within Canada, the Agreement on Internal Trade, the Reform of Democratic Institutions and Access to Information, (herein referred to as “Québec”)

PREAMBLE

WHEREAS Québec has, under the *Act respecting childcare centres and childcare services*, a reduced parental contribution regulated system of educational child care for which it reports to Quebecers;

WHEREAS Québec has a rigorous reporting system and is recognized as a leader in the use and development of indicators in the field of early learning and child care and will continue to report to Quebecers in this regard;

WHEREAS Québec's priorities and objectives for child care are contained in the 2005-2008 Strategic Plan of the Ministère de la Famille, des Aînés et de la Condition féminine;

WHEREAS Québec has already made significant investments in the field of early learning and child care;

WHEREAS the Government of Canada, in its 2005 Budget, indicated its intention to provide additional funding to provinces and territories for investment in early learning and child care programs and services, based on the principles of quality, universally-inclusive, accessible and developmental, in the amounts of \$700 million to be made available through a third party trust from which provinces and territories can draw down on a per capita basis for 2004-2005 and 2005-2006, and a further \$4.1 billion to be transferred over four years beginning in 2006-2007;

WHEREAS Canada's goals are very similar to those already pursued by Québec in its system of educational child care;

WHEREAS Québec has exclusive authority in the fields of early learning and child care and Canada recognizes that the allocation of its funding must respect and be in keeping with this exclusive authority of Québec with regard to early childhood development;

WHEREAS the circumstances and state of development of early learning and child care systems vary among provinces and territories, this Agreement demonstrates that it is possible to reach asymmetrical agreements to meet reciprocal objectives;

WHEREAS Québec's child care programs are available on First Nations' reserves;

NOW THEREFORE, the Parties agree as follows:

1. DEFINITION

The following expression used in this Agreement will have the scope defined below:

"Agreement" means the Canada-Québec Agreement on Early Learning and Child Care.

2. CONTRIBUTION

Canada has determined the following maximum amounts, which will be allocated among territories and provinces under this initiative on an equal transfer per capita basis for the period commencing on April 1, 2006, and terminating on March 31, 2010:

- a. \$650 million for the fiscal year commencing on April 1, 2006
- b. \$1.15 billion for the fiscal year commencing on April 1, 2007
- c. \$1.15 billion for the fiscal year commencing on April 1, 2008
- d. \$1.15 billion for the fiscal year commencing on April 1, 2009

The federal government has also announced its intention to invest an additional \$100 million for child care services for First Nations on reserve. The implementation of this initiative will be developed in consultation with First Nations living on reserve with provinces and territories.

The final annual amount to be paid to Québec will be calculated by multiplying the total amount of federal funding paid for that fiscal year as listed above by the quotient obtained by dividing the population of Québec for that fiscal year by the total population of all territories and provinces for that fiscal year. For purposes of this calculation, the population for a fiscal year will be determined on the basis of official estimates produced by Statistics Canada on

June 1 of that fiscal year. The final annual amount will be determined by Canada and communicated to Québec on or about October 15 of each fiscal year.

These contributions are in addition to and not in lieu of those that Canada currently pays to Québec through the Canada Social Transfer in order to support early childhood development within Québec.

The Parties agree that, for the period following that covered by this Agreement, any federal funding for early learning and child care should be long term, incremental, predictable and sustained.

3. PAYMENT OF THE CONTRIBUTION

Payment of Canada's contribution for each fiscal year subsequent to 2005-2006 is subject to an annual appropriation by the Parliament of Canada for this purpose. Subject to annual adjustment according to the formula described in clause 2, the estimated amount to be paid by Canada to Québec will be:

Fiscal Year	Estimated Amount of Canada's Contribution to Québec*
2006-2007	\$152.8 M
2007-2008	\$269.7 M
2008-2009	\$269.1 M
2009-2010	\$268.4 M

*Levels indicated for information purposes for the years 2006-2007 to 2009-2010 based on the demographic projections of the federal Department of Finance.

Canada's contribution to Québec will be paid in semi annual payments. The first payment will be made not later than June 15 of each fiscal year and the second, not later than November 15 of each fiscal year. The total of the two semi annual payments will constitute the total contribution payment and may not be adjusted once the final payment for the fiscal year has been made.

In this Agreement, "fiscal year" means the period commencing on April 1 of any calendar year and terminating on March 31 of the immediately following calendar year.

4. USE OF CONTRIBUTION FUNDING

For 2006 to 2010, funding will be transferred directly to the Government of Québec. Québec having the objective of increasing to 200,000 the number of child care spaces at reduced parental contribution by 31 March, 2006, it may invest federal funds provided through this agreement in related objectives for the well-being of families. Québec agrees to incorporate into its current public reporting cycles information concerning its priorities and financing provided by Canada according to the terms of this Agreement.

5. DISSEMINATION AND SHARING OF INFORMATION

Québec will provide Canada with the information and reports it prepares on its educational child care system and supplies to non-governmental organizations and the public. Québec agrees to allow Canada to distribute them and make them available to other provincial/territorial governments.

For a number of years, Québec has been sharing its information, expertise and best practices with respect to early childhood development, including early learning and child care, with other governments in Canada and it intends to continue this practice, which will contribute to the development of comparable indicators.

6. AMENDMENTS TO THE AGREEMENT

Canada and Québec may agree jointly in writing on any amendment to the Agreement.

7. PERIOD OF AGREEMENT

The Agreement shall come into effect upon signature by the two Parties and will remain in effect until March 31, 2010. Either Canada or Québec may terminate this Agreement at any time, without cause and for the sole convenience of either Party, by giving at least one year's written notice of intention to terminate to the other Party.

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9. DISPUTE AVOIDANCE AND RESOLUTION

Canada and Québec are committed to working together and avoiding disputes, through government-to-government information exchange, advance notice, early consultation, and discussion, clarification and resolution of issues as they arise.

Should a dispute between the Parties arise with respect to the interpretation or implementation of any of the terms of this Agreement, either Party may notify the other, in writing, of its concerns. Upon such notice, Canada and Québec will endeavour to resolve the issue in dispute bilaterally. Either Minister may at any time enlist the assistance of a third party agreed to by the Parties to make recommendations in an effort to resolve the conflict. Every effort will be made to attempt to find a resolution in a timely manner.

In the event a dispute cannot be resolved through the processes set out in the preceding paragraph, the federal Minister and the provincial Minister may, at their discretion, convey information pertaining to the dispute to the Parliament of Canada and to Québec's National Assembly, respectively.

The federal Minister and the provincial Minister may also convey information pertaining to any resolved dispute to the Parliament of Canada and to Québec's National Assembly.

10. FAIR TREATMENT

Amendments to this Agreement may be made if Canada and Québec mutually agree that changes are required to ensure fair treatment for Québec relative to other provinces and territories with which Canada has entered into early learning and child care funding agreements under this initiative.

11. MISCELLANEOUS

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of this Agreement.

This Agreement will be interpreted and governed by the laws of Québec and the laws of Canada.

Québec will continue to ensure that expenditure information presented in its annual report has been audited, in accordance with Québec's standard practice, to confirm completeness and accuracy. Québec will continue to evaluate its programs and services in accordance with Québec's established policies and processes with respect to program effectiveness.

No member of the House of Commons or of the Senate of Canada or of Québec's National Assembly will be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement, or to any benefit arising therefrom.

This Agreement constitutes the entire Agreement entered into by Canada and Québec. No other collateral representations or warranties concerning this Agreement have been made by Canada or Québec.

If for any reason a provision of this Agreement that is not a fundamental term is found by a court of competent jurisdiction to be or to have become invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all the other provisions of this Agreement will continue to be valid and enforceable.

12. NOTICE

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid.

Any notice that is delivered will be deemed to have been received on delivery and, except in periods of postal disruption, any notice mailed will be deemed to have been received eight (8) calendar days after being mailed.

The address for notice or communication to Canada shall be:

Place Vanier, Tower B
355 North River Road
Ottawa, Ontario
K1A 0L1

The address for notice or communication to Québec shall be:

Ministère de la Famille, des Aînés et de la Condition féminine
425 Saint-Amable Street
Québec City, Québec
G1R 4Z1

IN WITNESS WHEREOF, the authorized representatives of Canada and Québec have signed this Agreement in triplicate.

SIGNED on behalf of Canada at ...
this..... day of..... 2005.

SIGNED on behalf of Québec at ...
this..... day of..... 2005.

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Prime Minister

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Premier

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Minister of Social Development

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Minister of Families, Seniors
and the Status of Women

.....
Minister responsible for Canadian
Intergovernmental Affairs, Francophones
within Canada, the Agreement on Internal
Trade, the Reform of Democratic Institutions
and Access to Information

