

Coalition of Child Care Advocates of BC

Working for a publicly funded, non-profit child care system that is high quality, affordable, accessible and accountable.

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\$127 Million and Beyond **How BC should invest child care money** December 2006

As BC approaches the end of federal child care transfer payments under the Agreement on Early Learning and Child Care (ELCC), the BC child care situation is going from bad to worse.

To date, this provincial government has:

- ✓ **Cut over \$40 million** a year from its own child care funding - and children, families and providers are still paying the price
- ✓ **Used federal funds** to replace these cuts – instead of for building a child care system
- ✓ **Stood by in silence** while the new federal government cancelled the ELCC Agreement – at a cost of \$455 million in future dedicated child care funds to BC
- ✓ **Made repeated promises** to release a Child Care Action Plan - but to date, no plan exists.

Now, this provincial government is:

- ✓ **Saying** it will maintain child care subsidies at current levels after the federal funds are gone but has made no commitment to maintain the Child Care Operating Funding Program and other child care funding
- ✓ **Scrambling** to spend up to \$127 million in unallocated federal child care dollars by March 31, 2007 through one-time-only expenditures that won't build a quality child care system.

Meanwhile, families can't find quality care they can afford, child care workers are grossly underpaid and are leaving their jobs in record numbers; and the quality and stability of child care programs are being eroded. The irony is unbelievable – in spite of BC having up to \$127 million in dedicated child care funds that MCFD chose not to spend this year, child care services, Supported Child Development agencies and families are left to figure out if or how they can survive more cuts next year.

The situation is unconscionable and unnecessary! BC has the money now and in the future to sustain and increase child care funding to build a child care system. Its not rocket science – all it takes is political will. Here's what BC can and should do.

1. Commit remaining 2006/07 federal child care dollars to the Child Care Operating Funding Program to lower fees, raise wages and improve quality

The Child Care Operating Funding (CCOF) is the only program that provides funds directly to licensed group and family child care services in BC. Today CCOF is inadequate and is not tied to clear goals for system building. Last fall, the community told the province that improving CCOF is the top child care funding priority. Government still hasn't listened. **Child care programs need these funds now!**

2. Commit now to maintaining current child care funding in BC's 2007/08 budget, replacing withdrawn federal funds with BC's contingency funds if needed

BC's 2006/07 budget includes federal child care transfer funds in its 3 year plan but notes that these funds are "under negotiation" in 2007/08 and beyond. BC's plan also

includes a significant contingency fund to cover “risks and pressures” the province may face. Given that the federal child care funds are clearly identified as ‘at risk’ they should already be included in the estimated 2007/08 contingency fund of \$550 million. BC has the funds to proceed with child care system building next year. **There is no excuse for cuts to child care funding!**

3. Make child care system building the next ‘major provincial project’

The projected additional cost of a universal, affordable, inclusive, high quality child care system in BC with space for all children under 12 is \$2 billion a year. In addition to the well-documented long term economic benefits of this investment – there is also an immediate return in tax revenue of about 40%. So, the net annual cost of a publicly funded child care system in BC is \$1.2 billion. BC’s Ministry of Finance latest economic update projects a provincial surplus this year at \$1.2 billion. The surplus grows to \$1.4 billion by 2008/09. **BC can afford to do it all!**

So, even with the federal retreat, there is a way to spend money that builds a child care system. But, regrettably over the coming months we are likely to hear announcements that are designed to do everything but build a child care system. **Watch BC spend this child care money in ways that don’t meet the real needs of working families, their children and communities such as:**

- Initiatives like the Ministry of Education’s Start Strong Centres which will be staffed by qualified child care workers and will provide direct operating funds to school-based **universal, free**, early learning preschool programs for children **not** enrolled in child care. Working parents will still have to pay the full cost of these very same services for children in child care.
- Capital funds for ‘demonstration hubs’ that may create some child care spaces but unlike the other services located in the hub **won’t include on-going operating funds** to sustain the new child care spaces.
- Sizeable endowments to charitable organizations that will move public funds off government’s books and leave community groups to compete for small grants that **cannot be used to cover core operating costs.**
- Tax cuts in the February 2007 provincial budget that will reduce future surpluses, and therefore **erode BC’s ability to support children, families and communities.**

The province will be full of excuses. They will say it’s the federal government’s fault, they will say they have no choice but to spend all the money by March 31 and they will proudly display pictures of communities’ delight about small pots of money that come their way.

Don’t believe a word of it. The BC government has options!

It’s time to stand up for the rights of working families, their children and the workers who provide the daycare they need.

Join the Coalition of Child Care Advocates of BC in demanding:

- ✓ **Immediate investments in the Child Care Operating Funding Program**
- ✓ **No cuts to any child care funding programs next year**
- ✓ **Replacement of the withdrawn federal funds from BC’s contingency fund**
- ✓ **Child care system building as BC’s next major project**