

# Child Care Advocacy Forum

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## Participating Organizations

BC Association of  
Child Care Employers

Coalition of Child Care  
Advocates of BC

Early Childhood  
Educators of BC

School Age Child Care  
Association of BC

Westcoast Child Care  
Resource Centre

Western Canada  
Family Child Care  
Association of BC

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## AN OPEN LETTER TO MINISTER REID BC's Minister of State for Child Care

November 2006

Dear Minister Reid,

The BC Child Care Advocacy Forum is responding to the invitation in your inaugural Reid Report to share our ideas, issues and concerns.

As BC's Minister of State for Child Care, one of your top priorities is the imminent threat to child care posed by the loss of \$455 million in federal child care transfers. So, when the first Reid Report arrived, we fully expected that it would include your concrete plans to protect and improve child care for BC children and families.

Imagine our shock to find that the only mention of 'child care' in the Newsletter is as one of the services that might be included in future 'neighbourhood hubs'. The rest of the Newsletter focuses on Fetal Alcohol Spectrum Disorder and Booster Seats.

Are Fetal Alcohol Spectrum Disorder and Booster Seats important? You bet they are! Are they child care? Absolutely not! **This lack of leadership, focus and action on child care is not new.** Let's review the evidence:

### 2001-2005

#### 2001/02 Baseline Budget

BC's investment in child care programs including  
Supported Child Care

- Starting in 2002/03, BC cut over \$40 million from its own annual spending on child care subsidies to low income parents and operating funds to licensed child care. Additional cuts were also made to other child care related budget items. Fees increased, programs closed, wages declined and affordable, quality child care became further out of reach for thousands of BC families.

#### BC's own investment in child care programs reduced

- Throughout these five years, the province received a total of \$289 million in federal transfers for early childhood development, which could include child care, but in BC none of these funds were used to restore the child care budget.
- In 2003, a second federal Multilateral transfer (MLF) agreement actually required provinces to invest in regulated early learning and child care, providing some reinvestment in child care services in BC.
- By 2005/06 these federal transfers partially restored BC's child care budget.

*Running \$s (in millions) <sup>1</sup>*

**\$240**

**- \$50 (Provincial cut)**

**\$190**

**+ \$30 (Federal MLF \$s)**

## Fall 2005

- After decades of advocacy by communities, the federal government signed Agreements on Early Learning and Child Care (ELCC) with BC and all other provinces. BC was to receive \$633 million over 5 years dedicated to regulated child care services.
- BC announced immediate plans to spend \$30 million of the \$92 million it received in the first year of this ELCC Agreement (2005/06) to restore child care subsidy rates and eligibility levels and to make minor increases to child care operating funds.

## 2005/06 Revised Total Child Care Program Budget with federal and provincial dollars

- The BC government held community consultations about how best to spend the rest of the federal funds.
- The Consultation affirmed key positions of the Child Care Advocacy Forum including:
  - Access to quality child care must be a priority.
  - Child care operating funding is the top priority.
  - Wages, working conditions and professional development opportunities must be improved to recruit and retain skilled staff.
- The province promised to release a provincial Child Care Action Plan by Jan. 31, 2006 based on this input. To date, no BC Child Care Action Plan has been released.

## Early 2006

- The 2006/07 provincial budget included \$127 million in additional federal child care transfer funds as part of overall increases in the budget of the Ministry of Children and Family Development. While the Minister of Finance called this a Children's Budget, no provincial funds were restored to child care and no plans for the additional federal child care funds were provided.

## 2006/07 Total Child Care Program Budget with federal and provincial dollars

- The new minority Federal government announced it would cancel the ELCC Agreements as of March 31, 2007. Unlike other Premiers who spoke up on behalf of their Agreements, BC's Premier was silent. The ELCC Agreement did not make his list of 'priorities' for discussion with the new federal government.
- Similarly, BC's Minister of Finance was silent on the loss of the remaining \$455 million in child care transfer payments for 2007/08 to 2009/10, saying that the 2006/07 federal budget met BC's priorities. She has since refused to meet with the Child Care Advocacy Forum to discuss the pending crisis.

## Fall 2006

- You wrote to parents and caregivers about child care. In spite of \$127 million in new child care federal funds still on your books for this year, all you could offer was that current subsidy rates and eligibility levels would be maintained and that your government would 'endeavour' to maintain other child care funding, including child care operating funds, until the end of the school year. Parents and caregivers were not assured!
- In the media you say that you don't know how you will spend the additional \$127 million in federal funds because not all subsidy applications are in yet. This is misleading at best. There is no deadline for subsidy applications. This has never stopped successive BC governments from making annual subsidy budget allocations – presumably based on past expenditures, informed projections and regular monitoring. With only five months left in the year, surely it's time to tell BC how you plan to spend all of this year's child care program budget.

**+ \$30 (Federal ELCC \$s)**

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**\$250**

**+ \$127 (Federal ELCC & MFL \$s)**

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**\$377 (\$190 provincial  
(\$187 federal)**

Running \$s (in millions) <sup>1</sup>

## Where does this leave us for 2007/08?

- Given BC's lack of action on child care, it looks like the cancellation of the ELCC federal transfers will mean further cuts to child care funding in BC of \$141 million.
- Unless the provincial contributions to child care programs are restored and increased, BC's child care program budget for 2007/08 could be reduced to \$236 million
- Here's why:
  - BC has made no commitment to increase its own child care spending
  - ELCC funds will stop.
  - BC will only receive \$46 million under the federal MLF funds.

**- \$141**

**\$236**

\$190  
0  
+ 46

**\$236**

## Projected 2007/08 Child Care Program Budget

**AFTER 6 YEARS – BC CHILD CARE SPENDING IS ONLY BACK AT 2001/02 LEVELS  
AND ALL THE REINVESTMENTS ARE STILL BEING PAID FOR WITH FEDERAL FUNDS.**

### Table Summarizing Running Numbers

Unless provincial contributions to child care programs are restored and increased, here's what could happen in 2007/08:

#### Summary of BC Child Care Program Funding, including Supported Child Development

(\$ millions)

	2001/02	change	2005/06	change	2006/07	change	2007/08?
<b>Total Provincial Contribution to Child Care Programs</b>	<b>240</b>	<b>-50</b>	<b>190</b>	<b>0</b>	<b>190</b>	<b>0</b>	<b>190</b>
Add: Federal Transfers designated for child care:							
2003 Multilateral Framework (MLF)	0	30	30	10	40	6	46
2005 Agreement (ELCC) (net of carry forward amounts)	0	30	30	117	147	-147	0
<b>Total Federal Contribution</b>	<b>0</b>	<b>60</b>	<b>60</b>	<b>127</b>	<b>187</b>	<b>-141</b>	<b>46</b>
<b>TOTAL BC CHILD CARE PROGRAM BUDGET</b>	<b>240</b>	<b>10</b>	<b>250</b>	<b>127</b>	<b>377</b>	<b>-141</b>	<b>236</b>

<sup>1</sup> Figures are derived from federal and provincial public reports and web sites, and most have been cross-reconciled to within \$5 million from multiple sources. Minor rounding differences may occur.

## **So, Minister Reid, do you want to know our issues and concerns?**

### **BC children, families and child care providers are paying the price because:**

1. BC is not committed to building the child care system children and families need.
2. BC has no plan for child care.
3. Operating funds to licensed family and group child care centers are at risk.
4. There is a critical shortage of qualified early childhood educators in BC, undermining the quality and viability of child care programs.
5. BC's fragile child care services are being further destabilized by inaction and uncertainty.

## **Do you want to know our ideas and suggestions?**

### **With or without federal funds:**

1. Use BC's current and projected surplus to make an immediate commitment to maintain the total 2006/07 child care budget in 2007/08.
2. As the community advised a year ago, develop a BC Child Care Action Plan that addresses quality, affordability, access and expansion.
3. Implement a 5 year funding strategy to support this Plan with dedicated operating and capital funds that move child care from a user fee system to a publicly funded system.



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