

Child Care Advocacy Forum

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Early Childhood Educators
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School Age Child
Care Association

Westcoast Child Care
Resource Centre

Western Canada Family
Child Care Association of
BC

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THE NEW CHILD CARE OPERATING PROGRAM DOES NOT MOVE CHILD CARE FORWARD!

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On November 28, 2002, the Minister of State for Women's Equality announced her long awaited plans for a new Child Care Operating Funding Program.

The new funding program will begin on April 1, 2003 with a total budget of \$48 million for 2003/04.

According to government announcements, the new operating funding:

- ✓ is intended to assist eligible licensed group and family child care providers with the cost of providing care.
- ✓ replaces the current Compensation Contribution Program, Infant/Toddler Grants and Out of School Transition Funding Program.
- ✓ will be available for all licensed types of care except child minding, occasional child care at ski hills and residential care.

The funding formula for the program is based on government established rates for different age groups and on the length of time children are enrolled in care. Payments will be based on **the submission of monthly enrolment reports.**

As child care programs and family child care providers 'crunch the numbers' to see what the program means for them, the Child Care Advocacy Forum has been looking at the 'big picture' and asking the question –

Does the Child Care Operating Funding Program move us closer to our vision of an affordable, accessible, quality child care system for all?

On the positive side, we fully support the inclusion of licensed family child care in the new program. And, we have always supported the consolidation of provincial grants into one payment, which is how Infant/Toddler Grants and the Compensation Contribution Program are paid to licensed child care centres now.

But, given the impact of cross-ministerial cuts on child care, we conclude that the **new funding program will not solve the problem.** In fact, our analysis suggests that the new program will move us towards a **two-tiered system** – one for those who can afford to pay fees and another for those who can't.

Here's why:

- ✓ The overall budget for the new program is **\$14.6 million less** than government provided to the licensed child care sector in 2001. And, if government proceeds with all of its announced child care cuts, by 2004 the province will spend **36% less** on support for regulated child care!
- ✓ In spite of government's suggestion that the new program will create more spaces, the reality is that the new program is spending less money on existing child care spaces - not new ones.
- ✓ The new child care operating funding program is based on enrolment and is not tied to affordable parent fees or adequate caregiver compensation.
- ✓ Cuts to the subsidy system are having a severe effect on enrolment. In a recent survey of 699 child care providers conducted by the Advocacy Forum, 57% told us that the percentage of subsidized families using their programs has decreased, 49% report that their enrolment has decreased and 42% have reduced waitlists. This doesn't mean that families no longer need child care. Rather, it demonstrates that many low and moderate income families can no longer afford regulated care.

But, enrolment pressures will play out differently in different communities.

- ✓ In higher income communities, when previously subsidized families withdraw their children from licensed care, their spaces will be filled by middle and higher income families who can afford to pay fees. Child care services in these communities will be able to take full advantage of the new program because they are likely to have full enrolment.
- ✓ In low income communities, as subsidized families leave licensed child care services, enrolment drops. Therefore, child care services with low enrolment will not benefit from the new program to the same degree as fully enrolled programs.
- ✓ And, given that payments will be made **only after** child care programs submit monthly enrolment reports, the new funding program will not support stability. Imagine if we funded fire departments only after they told us how many fires they put out last month.

So, we are rapidly moving toward a two-tiered child care system in BC ... one that creates even more barriers for low and moderate income families while it directs scarce public dollars to enhance services for those who can most afford to pay.

During the planning stage for the new operating fund, the Advocacy Forum said that, as part of a comprehensive 5 year plan, an operating grant program could move us forward. We called for a child care funding program that was adequately resourced, with built in accountability for promoting affordability and providing fair caregiver wages. We called on the province to use the federal dollars it receives for early childhood services to enhance, rather than replace, provincial child care funding. Regrettably, the government chose not to listen.

So, where do we go from here?

For those child care programs that may benefit from the new operating grant, we call on you to lead the way by keeping parent fees as low as possible and caregiver remuneration as high as possible. We are also counting on you to dedicate time and energy to help make our long-term vision a reality for every child and family in BC.

And, we continue to call on the provincial government to:

- ✓ Reverse the child care funding cuts that are destabilizing child care in BC
- ✓ Withdraw your plans for further child care cuts over the next two years
- ✓ Develop and implement a comprehensive 5-year plan that moves child care from a user fee system to one funded, like other public programs, through the tax system.

The Child Care Advocacy Forum