

Child Care Advocacy Forum

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BC Association of
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Coalition of Child Care
Advocates of BC

Early Childhood
Educators of BC

School Age Child Care
Association

Westcoast Child Care
Resource Centre

Western Canada Family
Child Care Association
of BC

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THE ADVOCACY FORUM RESPONDS TO THE PROVINCIAL AND FEDERAL BUDGETS FEBRUARY 2003

Tuesday, February 18, 2003 was a disappointing day for parents, caregivers and advocates across BC and Canada. It was the day when both BC's Minister of Finance, Gary Collins, and Canada's Minister of Finance, John Manley, tabled their respective provincial and federal 2003/04 budgets.

The **provincial budget** holds few surprises for the child care community and families and does nothing to repair the damage done to children, families and child care services across BC.

And, while the **federal budget** holds some promise, its falls far short of what the child care community had been led to expect.

Let's have a look at the key child care items in each:

THE PROVINCIAL BUDGET

Despite what government would like you to believe, the 2003/04 provincial budget includes significant cuts to provincial spending on child care. Total provincial spending on child care by the Ministry of Community, Aboriginal and Women's Services (MCAWS) will be reduced from \$197 million to \$184 million in 2003/04. And, the Ministry of Children and Family Development (MCFD) will make substantial cuts to Supported Child Care.

Here are some of the key items:

1. Child Care Subsidy Income Threshold

As previously announced by Minister Lynn Stephens, government claims to be 'raising' the income threshold for child care subsidies by \$100 a month. Minister Stephens proudly states that this 'increase' is due to careful budget management in the Ministry of Human Resources (MHR).

Here's what is really going on:

- On April 1, 2002 the provincial government reduced the income threshold at which parents are eligible for a child care subsidy by **\$285 a month** and tightened other eligibility rules. Over 10,500 families were negatively affected.
- As of April 1, 2003, families will still have to earn **\$185 less a month** than they did a year ago to qualify for subsidy. Hardly a raise!
- \$10 million is allocated for this 'increase'. While government had planned to cut \$26 million from subsidies, now they will only **cut \$16 million**. No matter how you look at it, that's not an increase!

- Families still cannot access child care subsidies for pre-school unless they are employed or in an approved training program. And, parents who should qualify for a monthly subsidy of \$50 or less, will still receive nothing.
- The decision to put some money back into subsidies has **nothing to do with ‘careful budget management’ by MHR** where savings come at the expense of the poorest amongst us.
- Rather, it has **everything to do with the strong voices of thousands of parents, caregivers and concerned citizens** who told government that their policies are wrecking havoc on child care.

We know that for families struggling to pay for quality child care, every penny counts.

But, the revised income threshold level only brings us back to where we were a decade ago. In the mean time, children have left licensed and regulated care, child care services have been destabilized, countless hours have been wasted on assessing and reassessing eligibility and families have been lost in the process. All together, the provincial increase in subsidy income thresholds is **“not good enough!”**

2. Subsidy Transfer to Ministry of Community, Aboriginal and Women’s Services

The provincial budget confirms earlier announcements that the child care subsidy program will be transferred from MHR to MCAWS.

While we trust that this will allow for more coherent policies, simple program transfers are not the answer.

Here’s why.

- Over the last decade ‘child care’ has been in at least 5 different provincial ministries. Sometimes the subsidy program has been in the same ministry as child care, sometimes not.
- The evidence indicates that the ‘placement’ of child care programs only makes a difference when there is the **political will to champion child care** backed up with **sufficient resources** to provide all children with access to quality services.
- The transfer of the subsidy program to MCAWS does nothing to address the on-going **lack of coordination** between this government’s child care and early years policies and strategies.
- This fragmentation is perhaps most evident in MCFD’s recent released report on how BC spent the federal funds it received in 2001/02 for early childhood initiatives. Despite community consensus that 2/3 of the federal funds should be allocated to child care, only \$6 million of the total allocation of \$39 million went to child care.

3. Increasing the number of child care spaces eligible for ‘subsidy assistance’

The provincial budget talks about a 50% increase in the number of child care spaces ‘eligible for subsidy assistance in the coming year’.

While the language is confusing, this refers to the new Child Care Operating Funding program, scheduled to begin April 1, 2003. And the increase in the number of eligible spaces refers to the fact that licensed family child cares can apply for this funding.

The Advocacy Forum fully supports the inclusion of licensed family child care in this new program. However, we are alarmed that:

- The total budget for the Child Care Operating Funding program is \$48 million. This is **\$14.5 million less** than is currently provided in grants to group and family care.
- In spite of suggestion that the new program will create more spaces, the new program will provide less money for existing child care spaces - not new ones.
- The new child care operating funding program is not tied to affordable parent fees or adequate caregiver compensation.
- The new operating program is based on enrolment. Cuts to the child care subsidy program and other cuts have led to vacancies in child care programs serving low and moderate income families. As a result, programs serving higher income families, which tend to be fully enrolled, will benefit the most.

4. Early Childhood Development Partnership Fund

The provincial budget speech reiterates a commitment from the province to provide a one-time-only grant of \$10 million for an early childhood development partnership with Credit Union Central of British Columbia and the United Way. This expenditure will occur in the current (2002/03) fiscal year.

The grant will go to the United Way of the Lower Mainland's *Success by 6* initiative to support community partnerships in early childhood development throughout BC.

This is not the first time the government has made a substantial grant to a philanthropic organization. The first was a \$5 million grant, from BC's federal early childhood development budget, to the Vancouver Foundation for an Early Years Legacy Fund.

At best, we are puzzled by this initiative; at worst we are alarmed. Here's why

- We believe that it is government's job to fund core child care and other early childhood development services. It is the job of philanthropic organizations to supplement, complement and test innovation in these services. These bodies will never have sufficient funds to take on government's role.
- This allocation is occurring at a time when provincial funding for services for children and their families is being significantly reduced.

We have tremendous respect for community volunteers who work to improve the quality of life for children and we are proud to count ourselves amongst them. And, the Advocacy Forum appreciates the financial support we have received from the Vancouver Foundation and the United Way, *Success by 6* Initiative.

However, in the current context, government's priority must be to allocate its scarce public resources to restore funding to child care and other related core services.

THE FEDERAL BUDGET

As widely announced in the media, the federal budget commits \$935 million over the next 5 years to help increase access to quality child care and early learning opportunities for children from 0-6, especially for low-income and single-parent families. \$35 million is for aboriginal child care and \$900 million for provinces and territories.

While we are pleased that the federal government is acknowledging its role in the development of a national child care strategy, we have concerns:

- The total **funds do not come close to meeting the need**. Even the Social Policy Committee of the National Liberal Party Caucus recommended a total federal commitment of \$10.9 billion for a national child care program. And, their recommendation only addressed the needs of children from 0-6 years of age and did not include the essential need for school-aged care.
- Only **\$100 million of the total funds will be spent over the next two years** - \$25 million in 2003/04 and \$75 million in 2004/05. The bulk of the funds will come only after a federal election. Given the legacy of broken federal promises on child care, this is cause for concern.
- Federal funds are **dependent on “reaching an agreement with the provinces and territories.”** We support holding provinces accountable for spending federal funds on quality, regulated child care and for using federal funds to complement, not replace, provincial child care funding. But, even before the federal budget, some provinces were balking at these conditions. Given the small amount of money on the table, an agreement will be even harder to reach.

If the new federal commitment is going to make a difference, the federal government will need to put more money on the table, especially in the first two years. And, our provincial government will need to sign on to an agreement that ensures these funds go to quality, regulated child care and are not used to replace provincial reductions in funding to child care.

WHERE TO FROM HERE?

As the federal and provincial governments debate and implement their 2003/04 budgets, more details will become clear. We will do our best to keep you informed about these developments.

At the federal level, we will work with child care advocates across Canada to ensure that the federal government's promises become reality.

At the provincial level, we urge you to join us in our continuing call on government to:

- Stop further cuts to child care
- Restore the child care funding cut to date
- Adequately fund a 5 year plan that entitles all children access to quality regulated child care
- Negotiate an agreement with the federal government that brings dedicated federal funds into BC for quality regulated child care and ensures that new federal funds will not be used to replace provincial cuts.