

CHILD CARE ADVOCACY FORUM RESPONSE TO

The Ministry of Social Development and Economic Security's
"Interim Report on Responses to *Building a Better Future for British Columbia's Kids*"
January, 2000

On January 10, 2000 the Ministry of Social Development and Economic Security (MSDES) released an Interim Report on the responses received to date on its child care Discussion Paper - "Building a Better Future for British Columbia's Kids". (*Both reports are available on line at www.sdes.gov.bc.ca*).

The Child Care Advocacy Forum, an alliance of 6 provincial child care organizations, views the Interim Report as a significant development in the discussion about public policy on child care in B.C. While the Report highlights high levels of public support for significant action on child care it also indicates government's continuing focus on 'stop gap', bandaid solutions to the child care crisis in B.C.

THE GROWING CONSENSUS FOR A PUBLICLY FUNDED SYSTEM

As of January 4, 2000 - over 7200 people had responded to the Discussion Paper. This reflects extraordinary collective efforts of people across the province to ensure that government heard a loud and clear message - child care is an urgent issue and action is needed now! The fact that:

*The vast majority of respondents call on the provincial and federal governments to create a **publicly funded child care system** that ensures all families - regardless of their economic or employment status - have access to good quality, affordable child care. (Page 2, Interim Report, emphasis added)*

clearly demonstrates our message resonates with British Columbians. If government is genuinely prepared to act on what it heard - then this is the message that needs to drive their actions.

PUBLIC CONSENSUS NOT LINKED TO POSSIBLE ACTIONS

The Interim Report acknowledges wide spread public support for a publicly funded, universally accessible system but seems to have missed an important message about possible immediate actions.

Based on the "Breakdown of Responses" highlighted in the Interim Report, we are confident that the vast majority of respondents also told the Ministry that, while immediate action to make child care more affordable and accessible will be welcomed by many and will make a difference for some, they are only **stop gap measures**.

This position has been a key piece of the Advocacy Forum's letter writing campaign and public response to "Building A Better Future for British Columbia's Kids". The fact that the Interim Report omits any mention of this perspective is alarming indeed! And, the Report's silence on the implications of this message for the 'options' in the initial Discussion Paper indicates that government does not yet understand what they are hearing.

We did not do a detailed analysis of each 'option' in the Discussion Paper for 2 reasons:

- In spite of discussions with the Minister and his staff about the need to include the option of a publicly funded system in the Discussion Paper, this did not occur. It was left to the community to put this option clearly on the agenda.
- The 'options' in the Discussion Paper reflect a fragmented, piecemeal approach. Essentially, the options are a list of possible increases to existing child care funding programs. Simply choosing 'priorities' from this incomplete, grab bag will not move child care away from a user fee system.

However, given the Interim Report's continuing focus on these stop gap measures, it is important to highlight some fundamental problems with a few of the options in more detail.

1. Increases to Subsidy Rates

Over \$120 million of the \$188 million spend by the Province on child care goes into the child care Subsidy Program. This program provides low-income working or studying parents with a subsidy to help cover their child care costs. B.C. is only one of 2 provinces that provides subsidies for unregulated care, and over 50% of the subsidy budget goes to this form of care.

Subsidy rates are set by the provincial government and are currently 16-23% below the monthly cost of group care. Subsidized parents pay the difference between their subsidy and the actual cost of their care. For infant care, this difference can be over \$400 a month.

Subsidy rates have not been raised in B.C. for over 5 years - the longest period without an increase in 2 decades. Low income parents cannot afford to pay the difference and child care programs cannot sustain quality programs. In this context, increases to the child care subsidy rates to reflect the real cost of care seems like an obvious answer and it is no surprise that when asked to choose from the list of options in the Discussion Paper, many respondents support increases in subsidy rates to reflect the actual cost of care.

However, increases to subsidy rates, on their own, will not solve the problem because:

- Increased subsidy rates will make no difference for the majority of parents who do not receive subsidies and will be of limited help for low income parents. Child care fees in B.C. are linked to subsidy rates. History shows that increased subsidy rates lead to increased fees. Soon, low income parents will be back in the same situation and moderate and middle income parents, who receive no subsidy, will be worse off.
- The subsidy system is a demand side approach - it assumes that there is a supply of quality child care services from which families can choose. It does not support the on-going operation of stable, viable programs. Economic studies demonstrate that this approach has not worked for child care, particularly in areas where need is greatest. Without operating funds to sustain a range of quality programs, closures of programs will continue.

2. Increased Child Care Spaces on School Sites

The Discussion Paper reports that, as a result of the Portable Reduction Strategy of the Ministry of Education, 1200 portables now used for classrooms could be available for future use. The Paper suggests that 500 of these portables could be purchased, moved (if necessary) refitted and equipped to create an additional 10,000 new child care spaces on school sites.

Leaving aside the issue of why portables that are seen as unacceptable for children while they are in school are seen as a 'boon' for child care, the option has some obvious appeal. There is a definite need for more licensed child care spaces and a growing need for care for school-aged children. Families would be well served if a comprehensive range of services are offered in one location and, for many, school sites are an ideal location. Using existing publicly owned facilities is also a cost effective approach.

However, simply creating more licensed child care spaces, whether on school sites or not, will not solve the problem because:

- Without a commitment to on-going operating funds, new spaces will be no more affordable, stable or financially viable than existing child care programs. How will these new spaces be accessible to low and moderate income families? How will new programs provide fair and equitable remuneration for their staff? How will these programs cover programming and overhead costs?
- Without a plan to develop an infrastructure for child care services that can provide stable and effective management and administration, government will likely have difficulty finding operators for 10,000 new spaces. Community organizations are increasingly hesitant to take on child care services. Experiences show that child care services operate at a deficit and many organizations are unable to cover the gap. Parent managed child care services struggle to find the volunteer time and expertise required to provide consistent, effective management.

We have provided some detailed commentary on these two options because public statements made by Minister Sihota since the release of the Interim Report suggest that these two initiatives remain under serious consideration. However, a similar analysis of the other options in the Discussion Paper confirms our position that:

*The discussion paper sets out some first steps in addressing immediate problems of affordability, accessibility and low wages in the child care sector. While all of these options will make a difference for some families and caregivers, **they are only stop gap measures.** (Child Care Advocacy Forum Response to "Building A Better Future for B.C. Kids" - December, 1999)*

OUR CHALLENGE

We believe that the main message respondents have sent government is clear. The public is looking for fundamental change that moves child care from the current user fee system to one that, like education and health, is publicly funded.

In short - without a commitment to and a plan for such a publicly funded system, program closures like the tragic one at the YWCA 's Granny Y's centre will continue . Simply putting more money into each of the current, fragmented funding programs will not build a comprehensive, quality system that works. Short term actions are needed, but to be effective, these actions must be part and parcel of a multi year plan to build a viable system.

Therefore, the Child Care Advocacy Forum is issuing a challenge to Minister Sihota and his government. We call on them to:

Develop and implement a 5 year plan that moves child care from the current user fee system to one that is publicly funded. Any short term measures, must be clearly linked to this plan. No more fragmentation, no more bandaids!

This challenge is not new. It was clearly placed on the provincial government's agenda during last year's historic strike in the Community Social Services Sector. We believed that the decision to move responsibility for child care to Minister Sihota and MSDES last summer was a sign that government took this demand seriously. Since then, the members of the Child Care Advocacy Forum and the child care community at large have worked hard to fulfil our promise to 'roll up our sleeves' and work with the Minister and MSDES to achieve this goal. Together, we met Minister Sihota's challenge to us to show him and his government that British Columbians share our vision and agenda for child care services in B.C.

Regrettably, the Interim Report and recent comments made by the Minister indicate that, while this message has been sent by thousands of British Columbians, it has still not been heard.

We are however encouraged by positive statements made about child care by the candidates in the current NDP leadership race. And, when the winning candidate becomes our next Premier, we will be expecting immediate action because:

Our children can't wait!