

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 of BC

Westcoast Child Care
Resource Centre

Western Canada Family
Child Care Association
of BC

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VANCOUVER
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Federal Child Care Dollars Begin to Flow September 2005

On Sept. 9, Minister Stan Hagen announced how BC will spend \$33 million that it will receive when the province signs an early learning and child care agreement with the federal government later this month. Under this pending agreement, BC will receive \$633 million from the federal government over five years. This is the first of a series of spending announcements to come.

As of October 1, child care spending in three areas will increase:

Child Care Subsidies – Eligibility levels and rates will increase for families using regulated care for children under six. There will be no increase for unregistered license-not-required family child care, in-home care or licensed family or group care for children from six to twelve years of age. (See www.mcf.gov.bc.ca/childcare/ChildCar/PDFs/rate_table_meia.pdf and www.mcf.gov.bc.ca/childcare/ChildCar/PDFs/subsidy_example.pdf)

Child Care Operating Fund (CCOF) – Rates will increase for services for children under 6 with no increase for group or family care for children from six to twelve years of age. There will continue to be no accountability measures for how CCOF funds are spent. (For new rates see www.mcf.gov.bc.ca/childcare/ChildCar/grant_op_fund.htm)

Capital Funding – \$6 million is being added to 2005-06 capital funding. Maximum funding for major capital grants will increase to \$300,000 and the province's contribution will rise to 50% of capital costs in any region of BC. Targeted major capital grants of up to \$500,000 covering 90% of capital costs will be available in some areas of high need. Maximum minor capital grants will increase to \$5000. (For more details see www.mcf.gov.bc.ca/childcare/providers.htm#new)

Minister Hagen also announced that in October, the province will begin a **Stakeholder Consultation** to develop its Action Plan for the remaining 4 years of federal funding BC will receive.

After four years of devastating cuts to child care, these spending announcements are welcome news for BC families and caregivers. In the short term, more spending on child care is essential and families and child care providers will do their best to put it to the best possible use.

However, Minister Hagen's announcements do not yet show that BC is ready to build the child care system that children and families need.

Here's why:

1. **BC has still not made a commitment to restore the \$40 million cut from provincial spending on child care.** All of the new spending comes from federal transfer payments. Even after this announcement, child care spending is not yet back to where it was in 2001. And, because federal funds are for regulated care for children under the age of six, funding for school-age care in BC continues to be ignored. As a first step – the BC government should restore its own child care spending to 2001/02 levels and make investment in quality, licensed before and after school care the top priority for these funds.

2. **BC's spending priorities are not the way to build a system.** Most of the money announced on Sept. 9 will go into child care subsidies, an income tested program that provides eligible families with funds to help them cover the cost of child care. A much smaller amount is being spent on the Child Care Operating Fund that provides funds directly to licensed caregivers.

For over 30 years, subsidies have received the lion's share of BC's child care budget. Yet, the evidence is increasingly clear that subsidies are not the way to ensure access, promote quality, or support stability. They do not guarantee that families will find a quality space and only have a short-term impact on affordability. As the OECD said in its 2004 report on Early Learning and Child Care in Canada, "Subsidy funding to child care centres is often inefficient (many eligible parents are unable to access subsidies — see Cleveland and Hyatt, 1997), and costly to operate both at governmental and early childhood centre level."

The Child Care Operating Fund (CCOF) has the potential to be a more effective way to invest public funds in quality child care. However, to be effective, direct operating funding programs like CCOF need to meet two basis conditions. First, they need to provide child care services with sufficient funds to make quality services affordable, and second, those receiving the funds need to be accountable for using them in ways that advance public policy objectives. **The current CCOF program meets neither of these conditions.**

BC needs to change its funding patterns and **invest significantly more in accountable, adequate direct operating funding.** This funding must be tied to affordable parent fees and improved quality, primarily through increased staff compensation and recognition. Subsidies for those who still cannot afford the reduced fees should continue but over time an effective direct operating program will reduce the demand for subsidies.

3. **Effective capital spending needs to be based on community child care plans.** There is no question that BC needs more quality child care spaces and significant increases in capital spending are required. An effective capital program must ensure that funds are spent to build spaces that meet community needs and priorities. This means moving away from the current 'reactive' approach where government has no capital plan and relies on requests for funding that may or may not reflect community priorities.

BC must establish **a community-based child care planning process through which local and regional child care priorities are identified.** Capital dollars should be tied to community plans to ensure that over time, priority needs are addressed. A capital program should help integrate rather than further fragment the delivery of licensed child care in BC.

For these reasons, the Child Care Advocacy Forum is still looking for a long-term Child Care Action Plan that moves BC towards a publicly funded child care system that entitles all children access to quality child care experiences.

Our attention is now focused on the upcoming community consultation when we will be looking for a long-term BC Child Care Action Plan that:

- ✓ Restores provincial child care funding to 2001/02 levels.
- ✓ Addresses the needs of children from birth to 12 years of age.
- ✓ Moves to an adequate, accountable direct operating program that is tied to affordable parent fees and improved quality through adequate compensation for child care providers.
- ✓ Establishes an effective community-based child care planning system that enables communities to identify immediate priorities and develop long-term plans for comprehensive child care services.