

# Child Care Advocacy Forum

#300 - 210 W. Broadway  
Vancouver, BC V5Y 3W2  
Phone: (604) 515-6257  
Toll Free: 1-877-361-1116  
Fax: (604) 709-5662  
[www.advocacyforum.bc.ca](http://www.advocacyforum.bc.ca)

## 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

Financial and in-kind  
support is provided by  
Vancouver Foundation,  
Vancity Community  
Foundation and the  
member organizations  
of the Advocacy Forum.



VANCOUVER  
FOUNDATION

## FOR THE RECORD – Child Care in BC What They Say – What They Don't Say March 2007

On Jan. 5, 2007 Linda Reid, BC's Minister of State for Child Care, announced substantial cuts in child care funding. (For a summary of the cuts and their impact see [http://advocacyforum.bc.ca/pdf/CCcuts\\_summary\\_jan07.pdf](http://advocacyforum.bc.ca/pdf/CCcuts_summary_jan07.pdf))

Since then, tens of thousands of parents, child care providers and community members from all walks of life have raised their voices to oppose these cuts. In communities across BC, they have written letters, signed petitions, attended Town Hall meetings, visited MLAs and MPs and joined rallies and protests.

Despite province-wide action, the provincial Throne Speech was silent on child care. And, while community efforts are credited with government's recent reversal of its initial plan to make even further cuts to the Child Care Resource and Referral Program (CCRR) budget, the fact remains that the child care provincial budget for 2007/08 will still be reduced by more than \$100 million compared to 2006/07. Overall, it still appears that child care is the only program area facing significant reduced spending in the coming year's budget.

The programmed responses you are likely to hear from government members in your community can be found in two government documents:

- A one pager "FOR THE RECORD – Child Care in BC" originally published February 19, 2007 then modified on February 28, 2007 to reflect government's backtracking on CCRRs.
- The Reid Report #3 – circulated by email on March 1 describing the use of one time only funds.

(Both documents are available at <http://www.mcf.gov.bc.ca/childcare/index.htm>)

These documents claim to provide the facts regarding recent changes to child care in BC. However, they fail to mention many of the critical facts that paint the real picture.

As the information below clearly demonstrates, this government's words about child care do not match their actions. Rather, their action and inaction on child care over the last 6 years consistently reflect a disregard for BC's working families and their children and an anything but child care bias that in today's economic climate seems incomprehensible to more and more British Columbians.

But, it's not too late to let them know that ENOUGH IS ENOUGH. As we are now beginning to see, when governments clearly understand that the public is demanding action - they find the political will and resources to get on with the job.

Now is the time to move child care to the top of their list! Yes, they need to fully restore **all** of the child care funds they plan to cut. But that's only a start. With or without federal funds, they need to commit adequate resources to build the publicly funded child care system BC families need and deserve.

What they say	What they don't say
<p>“As of March 31, 2007 the federal government will cancel the 2005 Early Learning and Child Care Agreement, representing a loss of \$455 million over 3 years.”</p>	<p>BC is just waking up to the failure of the federal government on child care. Unlike other provinces:</p> <ul style="list-style-type: none"> <li>▪ BC did not put the ELCC Agreement on their list of priorities with the new federal government.</li> <li>▪ BC did not speak up publicly in support of the ELCC Agreement they signed.</li> <li>▪ BC's Minister of Finance refused to meet with representatives of the Child Care Advocacy Forum about her plans in the face of the \$455 million loss in dedicated child care funding.</li> </ul> <p>BC is the <b>only province</b> to announce cuts to child care as a result of the federal cuts. All other provinces are at least maintaining current spending levels.</p> <p>BC could easily maintain current spending levels because they never committed the full \$455 million expected through the ELCC Agreement (\$152 million/year) to ongoing child care programs.</p> <p>At most, BC would have to commit about \$100 million over the next 3 years (\$35 million/year) to maintain current funding levels.</p>
<p>“As a result, as of July 1<sup>st</sup> the federal portion of the Child Care Operating Fund, an average of \$40 per month per child, will no longer flow to child care providers.”</p>	<p>The decision to reduce Child Care Operating Funds (CCOF) was a <b>provincial</b> decision.</p> <p>With over \$2 billion in surplus this year, BC has more than enough money to maintain current and improve CCOF rates.</p> <p>This cut means that child care fees will go up even though child care already costs families more than post-secondary education.</p> <p>The average loss of \$40 per month is only for group care for children from 3-5 years old.</p> <p>The average loss for group infant and toddler care is \$80 per month.</p>
<p>“Instead, the federal government is flowing money directly to parents through the \$100 a month Universal Child (sic) Benefit.”</p>	<p>Where was BC when communities said this ‘taxable’ family allowance was not a replacement for a child care system?</p> <p>It appears that BC agrees that a direct payment to parents is better than investing in system building.</p> <p>Stan Hagan, former Minister of MCFD who negotiated BC's ELCC Agreement told the community that he tried to get the federal government to let him ‘flow’ the money directly to parents rather than spend it on regulated child care services.</p> <p>Liberal MLA Randy Hawes says that “...it is reasonable to expect them (parents) to pay a portion of the new federal childcare funding toward childcare.”</p> <p>The government can't have it both ways. They can't blame the cuts to child care on the federal government if they agree with the federal government's decisions.</p>

What they say	What they don't say
<p>"Despite these Federal Funding changes the province will continue to provide more than \$50 million in Child Care Operating Funds."</p>	<p>\$50 million is also the amount that BC cut from its own annual funding for child care, starting in 2002. As a result, the overall budget for child care program operating funds was cut by 20%.</p> <p>Federal funds replaced some of these provincial cuts, but now that the federal funds are disappearing BC is not prepared to restore its previous cuts to maintain the program.</p>
<p>"In fact, the provincial government has budgeted over \$250 million for child care services in 2007/08."</p>	<p>The only 'fact' here is that BC isn't going to make any further cuts in its own spending.</p> <p>After administration, about \$241 million in total is budgeted for child care programs in 2007/08, thanks to \$47 million in federal transfers remaining in the last year of the 2003 Multilateral Framework Agreement. That means BC will contribute about \$194 million of its own funds for child care next year – almost \$50 million less than the \$240 million the province contributed in 2001/02.</p> <p>This overall budget is only back to 2001/02 levels because BC still has some federal early learning money. If the province isn't prepared to replace its own spending next year – things could be even worse.</p>
<p>"In October 2005 the province significantly increased child care subsidy rates as well as the income threshold from \$21,000 to \$38,000."</p> <p>"We also enhanced funding for the Supported Child Development (SCD) program by a significant level."</p>	<p>These reinvestments in child care subsidy came after BC made significant cuts to the subsidy program in 2002 – the only time in Canadian history that a province reduced child care subsidy eligibility levels.</p> <p>As a result, a generation of preschool aged children from low and modest income families lost their only opportunity to attend quality child care programs. Perhaps this is the reason vulnerability levels for BC children entering kindergarten in 2005/06 have generally increased from three years ago.</p> <p>The child care subsidy budget for 2007/08 is only now back to 2001/02 levels.</p> <p>The increase in income thresholds was long overdue. Yet, this government waited years to make a change.</p> <p>In spite of government's claim that they are protecting vulnerable children – MCFD service plans indicate that they only expect to provide subsidies for 24,480 children next year. Yet, previous public reporting indicates that approximately 37,000 BC children received subsidies in 2001.</p> <p>Children with extra support needs can only be included in quality child care if their families can find or afford it. But BC only has licensed spaces for less than 15% of our children.</p>

What they say	What they don't say
<p><i>On February 19, 2007, they said:</i></p> <p>"In order to ensure these significant enhancements to subsidy and SCD are maintained we made the difficult decision to reframe Child Care Resource and Referral services in the province."</p> <p>"...CCRRs only assist 25% of families applying for subsidy. A new provincial centre handles 26,000 calls a month."</p>	<p>Government's initial plan to cut the annual provincial budget for CCRR services from \$14 million to \$3 million was a decision to decimate CCRR services – not a decision to reframe them.</p> <p>CCRRs provide support, resources and referral services for child care providers and parents and promote quality child care choices. A 'provincial call centre' cannot provide these services.</p> <p>25% of families who got help with their subsidy application through CCRRs adds up to over 5000 families. So much for government's claim they are protecting the most vulnerable families.</p> <p>Last year, CCRRs were told to expand services, open store front offices and serve more communities. Yet, when the cuts were announced government seemed prepared to spend millions of federal child care dollars to cover the costs of closing some of these very services.</p>
<p><i>On February 28, 2007, government changed its position on CCRRs and now says:</i></p> <p>"The provincial CCRR budget of \$9 million will be maintained on an ongoing basis. We will work with CCRRs to reframe the service to focus on BC's most vulnerable families."</p>	<p>The only fact here is that after cutting \$5 million from the annual CCRR budget (\$14 million to \$9 million) government is not going to make any further cuts.</p> <p>This decision is an inadequate response to mounting pressure for full restoration of child care funding.</p> <p>This is not the only example of chaos in government's plans for CCRR services. Since 2002, CCRRs were told to prepare for no funding, then they were told to expand services, then they were told to get ready to close again and now – their services are to be reframed in yet another direction.</p> <p>To date, government is unable to provide any explanation of this latest reframe.</p>
<p>"Since 2005, we have invested over \$14 million to build almost 1,500 new government funded licensed child care spaces across BC."</p>	<p>Through their capital grant program, government only paid some of the cost of building these spaces. Most communities had to raise at least 50% of the capital costs from other sources.</p> <p>Government does not report on lost spaces so this is not a net figure. A 2005 report shows that for every 10 licensed family and centre-based programs that opened, 9 closed within 4 years (Kershaw, 2005).</p> <p>With reduced operating funds available, and without a plan to address staff recruitment and retention issues, how many of these spaces can actually afford to open their doors and stay open?</p> <p>Government has frozen spending under its 'major child care capital' grant program and capped access to CCOF for new spaces that communities find ways to open. Either there is a need for expansion or not.</p>

What they say	What they don't say
<p><i>In the Reid Report #3, they added:</i></p> <p>“...an additional \$40-million in existing ELCC funding will be made available to current CCOF-funded child care providers to allow for quality improvement investments in professional development, minor capital improvements, equipment and supplies...”</p> <p>“...the first \$20 million will be moving out to CCOF funded operators as early as the week of March 5th, 2007.”</p> <p>“Details regarding the distribution of the remaining \$20 million are currently being finalized and that information should be available to providers in the coming weeks.”</p>	<p>\$40 million is more than enough to maintain current child care spending next year without making any cuts. \$20 million is more than enough to cover the cuts government is making to CCOF next year.</p> <p>Every CCOF funded operator is wrestling with cuts to their operating budget due to CCOF cuts.</p> <p>Most have no choice but to raise parent fees knowing that these increases will make their services available only to increasingly affluent families but still won't generate enough funds to retain quality staff.</p> <p>Now, while facing mounting operating pressures, child care operators will receive one time only money for professional development, toys and equipment that only the luckiest children can benefit from – a situation that belies government's claim they are protecting the most vulnerable.</p> <p>For the 3<sup>rd</sup> year in a row, BC was unable to invest scarce child care funds in ways that sustain and develop a system. As a result, another fiscal year ends with 'announcements' of one-time-only expenditures that do not bring fees down, do not address the labour force crisis and do not build a system.</p>
<p><i>BC is still silent on the remaining 'unspent' federal ELCC dollars.</i></p>	<p>As 2006/07 comes to an end, BC has still not told British Columbians how it has spent or plans to spend the \$86 million in federal transfers provided to the province in 2006/07 specifically as a termination payment, because of the now-cancelled 2005 Agreement on ELCC. Other provinces are using these funds to maintain existing funding levels in future years, but obviously this is not happening in BC.</p> <p>Instead, BC is funding 80 Strong Start 'early learning' programs for pre-school children, under the leadership of the Ministry of Education. These programs are free, universally accessible, located rent free in schools and staffed by decently compensated early childhood educators.</p> <p>These are the very elements of a quality child care system that BC needs with one key exception. Children attending Strong Start programs must come with a parent or other caregiver.</p> <p>Strong Start and other 'marquee' early learning programs are clearly not designed with the needs of working families – the majority of BC families – in mind.</p> <p>In BC, only working families now have to pay more for quality early learning programs.</p>