

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

Funding and Support provided by:

Status of Women Canada
- BC/Yukon Region
through Coalition of Child
Care Advocates of BC



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BC's Child Care Spending Where Are We Going?

December, 2004

This fall, the BC government announced it will 'reinvest' in child care funding. The news comes after 3 years of funding cuts totaling \$42 million in 2004/05 alone.

Our understanding of the information available to date is as follows:

- The BC government announced **\$33 million** in child care funding for the remainder of this fiscal year (2004/05) and the next fiscal year (2005/06).
- Close to \$28 million of this amount will go into the **child care subsidy program**. As of January 1, 2005:
 - Families who earn \$200 a month over the current income threshold will be eligible for a subsidy. This is a net increase of \$15 over the 2001 income threshold level.
 - Income thresholds for families with children who have special needs will rise by an additional \$100 and their supplement will increase to \$150 from \$107.
 - There are new subsidy categories and rates for licensed family child care providers and License-Not-Required (LNR) family child care providers who register with Child Care Resource and Referral Programs. Rates for unregistered LNRs will not increase.
 - Maximum subsidy rates for most other forms of care will increase. The biggest increases are for Pre-schools, for care of Kindergarten children in School Age programs, and for care provided by licensed family and registered LNR caregivers.
 - For the first time, the maximum subsidy rate for 3-5 year olds in licensed family and registered LNR care is higher (\$415 a month) than for the same care in a licensed group program (\$394 a month). This differential reflects an increase of \$26 a month for group care and \$61 for licensed family or registered LNR care.
 - Student loans will no longer be counted as income when calculating subsidies.
- \$4.45 million has gone into a **one-time payment to providers who currently receive the Child Care Operating Fund**. This funding is based on a 'per licensed space' rate established for each type of care. Government describes the payment as a transition to new subsidy rates which is intended to assist in the operation of the child care facility.
- \$500,000 will go to a **professional development fund** for which no details are available.

Initially, the Advocacy Forum saw government's spending plans as a crisis response to the crisis created by previous cuts which left thousands of BC families with no choice but to remove their children from licensed care and led to the closure of too many quality child care programs across BC.

While the evidence is increasingly clear that subsidies are **not** the way to fund a stable, quality child care system, we know that for low and moderate income families – every penny counts.

But as the details of government's spending plans emerge, our concern grows. Here's why:

1. **Growing reliance on informal and unlicensed care** – Recent announcements confirm fears that provincial child care policy is explicitly promoting the use of unlicensed care. Requiring LNRs to register with Child Care Resource and Referral (CCRR) programs in order to receive a higher subsidy rate does not ensure quality, stability or accountability for public funds. Registration and training requirements are minimal and are already being undermined as government encourages under resourced CCRRs to take short cuts to get LNRs on the list as quickly as possible.

The research is clear that quality matters and that staff training, staff stability and licensing standards promote quality. Yet, BC's approach flies in the face of this evidence and further undermines training. Why would someone complete 1 or 2 years of post secondary training in Early Childhood Education if parents can receive a higher subsidy rate for care where caregivers are only required to complete 20 hours of training over 2 years?

Government may claim that they are focusing on LNRs because this is the care 'parents choose'. But in the current environment where there is a chronic shortage of licensed spaces and those that do exist are too expensive for most families, current usage patterns cannot be mistaken for 'real choice'. The evidence in BC and elsewhere is clear, when families can afford licensed care, they choose it. While registered LNRs have a role to play, they are not the cornerstone on which to build quality.

2. **Lack of financial clarity** – When government announced this spending, Minister Hagen said that half of it would come from federal funds. Since then, the Advocacy Forum has been unable to receive detailed answers to 3 basic financial questions.

- How much of the \$33 million will be spent this year and how much next year?
- Specifically, how much of the \$33 million is coming from federal transfer funds and how much from provincial funds?
- Of the provincial funds, how much is an actual increase to the child care budget and how much is a reallocation of existing under-spent funds in the child care budget?

It is very troubling that government announced multi-million dollar expenditures without answers to these questions. Until this information is available, we do not know whether the \$33 million is an actual 'reinvestment' or whether federal funds are being used to replace provincial spending cuts – leaving children and families no better off than before the federal government transferred \$250 million to BC.

3. **There is still no long-term plan** – Recent announcements are still ad hoc responses. The Advocacy Forum has repeatedly called on the province to develop a five year plan for moving to a publicly funded child care system that entitles all of BC's children access to quality child care programs. The need for such a plan is even more critical now that the federal/provincial/territorial discussions are underway on a national system of early learning and child care. Only with a clear provincial vision and a plan for getting there can there be adequate accountability for new federal funds that are likely to come to BC.

But there are solutions that can work! We encourage Minister Hagen to:

- Restore provincial funds cut from child care to 2001/02 levels.
- Use federal funds to supplement rather than replace provincial cuts.
- Invest most public spending on child care in direct operating funding with accountability tied to affordable parent fees, adequate wages and benefits and quality.