



## **THE BC LIBERAL PARTY'S CHILD CARE RECORD**

On May 16th, 2001, the BC Liberal Party won the provincial election, taking 77 of the 79 seats in the legislature. When the Liberals took office, BC was in the first phase of implementing a 4 year program to fund up to 85,000 licensed family and centre based child care spaces. Families were to pay a maximum daily fee of \$14. Over 15,000 spaces in licensed school aged programs were already receiving this funding. Families using these school age spaces were paying \$7 per day.

In 2001/02, the provincial child care budget was \$198 million. In the same year, \$39 million from the federal government was transferred to BC under the new Early Childhood Development (ECD) Agreement. The outgoing government promised to spend two-thirds of these funds (\$26 million) on child care – bringing projected child care spending in BC in 2001/02 up to \$224 million.

In the intervening 4 years, the provincial government has done more damage to child care in BC than ever thought possible. This document lays it out step by painful step and clearly demonstrates that **children, families and caregivers have paid the price for the Liberals' regressive child care policy – the first provincial government in over 20 years to make things worse, not better.**

As the election date nears, it is not surprising to see BC Liberals make some so-called 'good news' child care announcements and hand out small 'one-time only' grants for time limited projects. But, one-time only grants do not make up for 4 years of cuts and do not build a system. Let's remember that:

- ✗ Since coming to power, over \$100 million has been cut from child care spending in BC.
- ✗ As a result, fewer children have been able to attend licensed, quality care; well established child care programs have closed; early childhood education training programs have been eliminated or reduced; caregivers' wages have been rolled back; and reliance on unregulated care has increased.
- ✗ The BC Liberals' election promise in 2001 to target funds to those who need it most flies in the face of the research about the value of universal approaches. The tragic irony is that low- and moderate-income families and their children have been hurt the most by Liberal policies and cuts.
- ✗ While the government may now be talking about 'reinvestments', they are in fact using federal funds to replace some, but not all, of their provincial cuts.
- ✗ In spite of having received about \$340 million over the last five years in federal funds for early childhood, including child care, BC will spend \$40 million less of its own funds on child care and a total of \$20 million less on child care in 2005/06 than in 2001/02.
- ✗ After almost 4 years in office, this government still has no coherent plan to move from the current patchwork of user fee services to a publicly funded child care system and is unable or unwilling to spend limited funds in ways that build a quality system.

Based on their record – does this government deserve another term in office? Read on to learn more.

## So what has the Liberals' record been since the last election?

- June 5, 2001 Premier Gordon Campbell separates ministerial responsibility for child care from ministerial responsibility for early childhood development, creating ongoing policy incoherence and a provincial funding preference for 'anything but child care'.
- August, 2001 Two months after taking office, government repeals the sections of the Child Care BC Act pertinent to implementation of the four year plan to move BC towards a publicly funded child care system. The Funding Assistance Program for school-aged care is to end June 30, 2002.
- April 1, 2002 Government starts 3 years of child care funding cuts:
- Income eligibility for provincial child care subsidies is lowered by \$285 a month; partial subsidies are reduced; monthly subsidies of \$50 or under are no longer issued; pre-school subsidies for parents who are not in paid employment are discontinued and single parents on income assistance are now considered 'employable' when their youngest child turns 3. Projections are that 10,500 families are negatively affected.
- Government announces it will 'defund' Child Care Resource and Referral Programs, One Stop Access sites, and the provincial services of Westcoast Child Care Resource Centre by April 1, 2004.
- In response to advocates' outrage, Premier Campbell states "I know some of the tough decisions we have had to make have impacted British Columbians across the province."
- Fall, 2002 700 child care providers across BC report on impacts of government policies to date (report released February 2003):
- 57% have fewer subsidized children in their program
  - 49% have decreased enrolment
  - 42% have decreased waitlists
  - 31% have increased their fees
  - 19% report that they may close their doors in the near future
  - 52% are concerned about their future viability.
- BC reports how federal transfer payments for early childhood development, including child care, were spent in 2001/02. Only \$6 million of the available \$39 million went to child care.
- February, 2003 Government releases its 2003/04 budget with more bad news for child care. As of April 1, 2003:
- Child care operating grant expenditures will be reduced by \$14.6 million. Three child care operating grants will be rolled into one Child Care Operating Funding Program. The existing accountability requirements that funds be used to cap parent fees, improve staff wages and provide care for infants and toddlers will be gone.
  - Income eligibility levels for provincial child care subsidies will be partially restored by \$100. New eligibility level is still \$185 below 2001 level and remains so until January 2005.
- March, 2003 The federal/provincial/territorial governments (except for Quebec) negotiate a Multilateral Framework on Early Learning and Child Care (ELCC). In addition to the federal funds already committed under the ECD Agreement, a further \$137.2 million (including an increase announced in February 2004) will be transferred to BC over a five year period for 'regulated child care'.
- After cutting 11% (\$4 million) from Supported Child Care since 2001 and initiating a plan to refocus the program away from 'child care' to child development, government announces that it will spend the \$3.3 million coming to BC under the ELCC in 2003/04 on Supported Child Care.

- April, 2003 The Child Care Operating Fund (CCOF) takes effect. It results in significant inequities to child care programs. Unlike the program it replaces, the CCOF is based on 'enrolment' rather than capacity. This means that programs that are full, generally because they serve families who can pay full fees, receive more funds than programs serving lower income communities, where vacancies have occurred because families have had to withdraw because they can't afford the fees and have lost access to provincial subsidies.
- Summer, 2003 After 2 years of community pressure, government reviews its decision to 'defund' Child Care Resource and Referral Programs and the provincial services of Westcoast Child Care Resource Centre. Instead, by April 1, 2004, the overall budget for these services will be reduced and the mandate refocused on support for unlicensed care. However, One Stop Access programs will lose all funding.
- November, 2003 A report on child care in the East Kootenays documents that from October 2001 to September 2003, the East Kootenays lost 238 licensed child care spaces.
- Winter, 2004 BC releases its report on use of federal funds from the ECD and ELCC agreement for 2002/03. Government's figures show that, in spite of receiving over \$50 million from the federal government in 2002/03 for early childhood development and child care, BC:
- Cut \$23 million from child care subsidies for low- and moderate-income families.
  - Used \$27.6 million taken from child care and other ECD programs to increase spending on their 'priority' programs such as research, community forums and grants to charitable organizations.
  - Funded 48 cents out of every increased \$1 spent on their priority ECD programs in 2002/03 over 2001/02 from cuts to child care.
- February, 2004 BC releases its 2004/05 budget, completing 3 years of child care cuts begun in 2002/03. At the end of the 3 years, BC's spending on child care is \$156 million – \$42 million or 21% less than it was in 2001/02 (not including Supported Child Care). Of the \$94 million available through two federal transfer programs for early childhood, BC only allocates \$7 million to child care. This \$7 million is replacing provincial funds, not supplementing them.
- May, 2004 Provincial responsibility for child care moves from the Ministry of Community, Aboriginal and Women's Services to the Ministry for Children and Family Development but is still not integrated with the government's overall early childhood development policy.
- June, 2004 During the federal election campaign, the federal Liberals promise yet again to implement a national child care system based on legislated principles of Quality, Universality, Accessibility and Developmental Programming. The federal Liberals promise \$5 billion in transfer payments to the provinces and territories over 5 years as a 'down payment' on the system. The June election results in a minority Liberal government in Ottawa – providing what many view as the best chance for making child care Canada's first new social program in decades.
- July, 2004 The Ministry for Children and Family Development (MCFD) announces \$4.9 million in child care spending. When questioned, government indicates that \$2.5 million of this amount is in fact a reallocation of unspent funds already budgeted for child care. The remaining \$2.4 million in the announcement comes from federal transfer funds. BC's own annual child care spending is still \$42 million less than it was in 2001/02.
- Child Care Resource and Referral Programs continue to struggle with an overall budget reduction of at least \$3 million in funding since 2001/02. While not completely 'defunded' as originally planned, most CCRR funding now comes from federal transfer funds – another example of how BC is using federal funds to replace provincial cuts. CCRRs are also faced with a directive from government to focus their provincially funded services on 'unregulated' care.

- October, 2004 The Organization for Economic Co-operation and Development (OECD) releases a comprehensive report on the troubling state of Canada's child care services. BC is singled out for particular criticism because of the shortage of licensed spaces and "the apparent lack of coordination, by a failure to establish early childhood education and care as the mainstream services for children and families (through which special needs and vulnerable children could be served in an inclusive way) and the fragmentation of a relatively small budget among so many different groups and services." The OECD also identifies the weaknesses of income-tested subsidy programs as a mechanism to build or sustain quality systems.
- Federal/provincial/territorial governments meet to discuss an agreement on a national child care system. No agreement is reached and, behind closed doors, the ministers replace the original commitment to a principle of Universality with a commitment to Universal Inclusion.
- November, 2004 Advocates, researchers and governments meet in Winnipeg for an historic child care conference. The advocates' messages about the key building blocks of effective child care systems are affirmed by every national and international speaker. Advocates leave the conference committed to ensuring that the building blocks of public funding, quality, universality and growth through non-profit delivery drive the development of a new child care system.
- Across the country, BC is being used as the reason for demands that any new agreement must hold provinces and territories accountable for using additional federal funds to build a quality system and must require provinces and territories to table comprehensive, long-term child care plans. This is because BC is actively demonstrating a lack of accountability by using federal funds to replace provincial spending cuts for 'anything but licensed child care'.
- January, 2005 New BC maximum subsidy rates take effect and, for the first time in provincial history, low-income families are eligible for a higher subsidy rate if they use unlicensed family child care for their 3 – 5 year old children than if they use licensed group child care. Government is unable or unwilling to answer questions about the source of the additional funds going into subsidy.
- The BC government announces a fragmented series of one-time only child care funding promises. Between November 2004 and March 31, 2005, over \$8.5 million will be spent on one-time only short term initiatives that are not tied to long term system change and do not promote stability, quality or access. Once again, BC is using federal funds to replace provincial cuts.
- February, 2005 The BC budget, released on February 15, 2005, indicates that BC's own spending on child care in 2005/06 will only increase by \$2 million and will still be \$40 million less in 2005/06 than in 2001/02. Thus, in spite of having received about \$340 million in total from the federal government for early childhood development and child care since 2001/02, current government policy has reduced the total annual budget for child care in BC (including both confirmed federal and provincial dollars) by \$20 million between 2001/02 and 2005/06.
- The federal budget, released on February 23, 2005 outlines the 5 year spending plan for the \$5 billion promised during the federal election. When the required federal budget legislation is passed, the first installment of \$700 million will go into a third-party trust with few, if any, conditions or accountability measures. Provinces will be able to draw down their share of these funds until April 1, 2006. The federal government says it is continuing to work on a longer-term agreement with the provinces and territories.
- Through this trust, BC will have access to an additional \$91 million in federal transfer funds in 2005/06. These funds are not reflected in the BC Liberals' 2005/06 provincial budget. These are the funds that the BC Liberals will likely rely on for pre-election child care promises.

Children, families and quality child care cannot survive another four years of this. Leading up to the May 17th election let's make sure this government has to run on its **real child care record** – not on empty promises of golden days ahead. Get out the child care vote!