

First Call ECD Roundtable Input to BC Early Years Office
Re: Federal Child Care Transfers
via Conference Call March 21, 2017

BACKGROUND:

Context and Purpose

Federal budget 2016 introduced early learning and child care transfers to provinces and territories of \$400 million for fiscal 2017/18.¹ Typically, these transfers are paid on a per capita basis, so BC anticipates receiving approximately \$52 million (13%).² BC's Early Years Office (EYO) staff confirm that none of these funds were committed in BC's recently-released 2017 Budget.³ The EYO staff and colleagues in government are currently exploring spending options for governments' consideration once these funds are confirmed and received, and invited input from the ECD Roundtable.

Note: This phone conversation took place prior to the release of the 2017 federal budget, which confirmed that child care funding is in place - and scheduled to increase - over the next 11 years. While we will continue to advocate for much-needed and substantial increases in both federal and provincial child care investments, this long-term commitment by the federal government makes meaningful change in BC even more imperative.

To support the ECD Roundtable in providing input, this document summarizes the evidence-based principles and policies for child care funding that have informed the advocacy work of First Call and its members.

Overarching Principles

- All federal early learning and child care transfers must be spent on strengthening or creating affordable licensed child care.
- Federal transfers should be spent in ways that reflect the best evidence about policies that effectively provide universal access to high quality, inclusive, affordable licensed child care.
- While there is a strong socio-economic case for substantially increasing the provincial funding for licensed child care as well, federal transfers – on their own - can and should result in meaningful, effective child care policy. Among other benefits, effective policy will set the stage for future system-building with increased funding.

¹ In addition, the 2016 Federal Budget committed \$100 million for child care on reserve. This document focuses only on the transfers to provinces and territories, as First Call supports the right of Indigenous people to have jurisdiction over their early years programs and services.

² Further details on the transfers (e.g. ongoing annual commitments, confirmation of payment methodology, policy framework) are under discussion between FPT officials. The March 22 Federal Budget will likely provide more information, and announcements are anticipated within the next couple of months.

³ EYO staff advised the March 15, 2017 ECD Roundtable that the child care funding recently announced (\$20 million for new spaces plus education bursaries) reflect an increase in provincial spending.

Effective Evidence-Based Child Care Policies

1. Prioritize direct funding of licensed child care services that is tied to accountability mechanisms – the current BC Child Care Operating Fund (CCOF) provides direct funding to services, albeit at minimal levels with little accountability. With increased direct operating funding and increased accountability, the public goals of quality, affordability and inclusive access could be achieved.
2. Lower parent fees, raise wages, educational requirements and supports for caregivers and create more public- and community-owned, licensed child care spaces – These are the three broadly-based policies that characterize jurisdictions with effective child care systems. Increased funding provided directly to child care services should be accountable for ensuring that parent fees are affordable for all, ECEs are fairly compensated and well-educated, and publicly-funded assets are publicly-owned.
3. Address barriers to access - Within effective universal systems, policies and practices ensure that programs welcome, nurture, and respect children and families in all their diversities. In addition to the broad-based policies described above, this means taking action to address barriers to access by, for example, providing additional resources to support the inclusion of: children with additional support needs; parents with non-standard work hours; families living in poverty and/or with mental health concerns; immigrant and refugee children and families.
4. Advance the right of Indigenous people to have jurisdiction over their child care services – and provide the resources required to do so, recognizing that these services are best developed through community and Nation-driven processes.⁴
5. Build from what exists – while there is a substantial gap between where we are today, and where we need to go, this approach recognizes and values the skills, knowledge, infrastructure and relationships with families that already exist in communities across the province.

These policies are all incorporated into the \$10aDay Child Care Plan proposed by the Early Childhood Educators of BC and the Coalition of Child Care Advocates of BC and endorsed by First Call coalition member organizations, a growing number of local governments, Boards of Education, labour, business, community service, women’s and advocacy groups, along with thousands of individuals. The \$10aDay Plan therefore provides a logical framework for the Province of BC to use in considering policy options for new federal funding.

A Policy /Program That Does Not Work – the Child Care Subsidy provides financial assistance to eligible low-income families in BC

The BC Government may be considering an increase to parent fee subsidies but this would only perpetuate and exacerbate current affordability problems. Without a cap on parent fees, affordability is unlikely to improve either for those eligible for the program or other families. In fact, subsidy increases stimulate fee increases - making most families even worse off. BC is the only province allowing subsidies to be used in unregulated care, with no health and safety standards or monitoring. The subsidy system is complex, administratively costly and personally stigmatizing for individuals. BC has relied on parent fee subsidies as the primary way of funding child

⁴ Described in more detail by, for example, BC Aboriginal Child Care Society and in *the BC Early Childhood Development Framework* (2009).

care for decades, and has not achieved broad access to quality, affordable child care through that mechanism. Nor has any other jurisdiction that relies on this approach.

Examples of initiatives that could be implemented in 2017/18 on their own or in combination, depending on the resources available: *(Note: This list not an exhaustive list, but a lens that the ECD Roundtable will be using to evaluate)*

1. Increase resources for Supported Child Development Program (SCDP/ ASCDP)
[Example: The Richmond child care needs assessment survey results bears out that there are families who want to access inclusive child care and operators who would like to provide it but barriers include lack of sufficient supported child development funding and available staff with the necessary certifications to provide it. These barriers are echoed throughout the province.]
2. Expand and enhance the child care component of the Single Parents Employment Initiative (SPEI)
[Example: by offering it to parents in couple families on social assistance – see fuller explanation below.]
3. Expand and enhance the child care component of the Young Parent Program (YPP)
[Example: by increasing and stabilizing the YPP childcare operating funding and extending child care support to young parents past age 19.]
4. Expand and enhance ECE student bursaries, prioritizing public institutions
Many are concerned about the cost and calibre of programs at the private colleges, and the generally lower quality of graduate. Support ECE training at publicly funded community colleges, adult learning institutions (Delta Continuing Ed) and universities.
5. Move child care to the Ministry of Education, as many other jurisdictions and Canadian provinces have. The mandate, priorities and policies of education (e.g. universality) are more aligned with the principles of effective child care systems than the priorities of MCFD.

ISSUES DISCUSSED:

Accountability for public funding

- The ECD Roundtable is cautious and will be monitoring any federal transfers for child care because previously transfers have not always been spent by the BC government - as they were intended - on child care
- Progressive increases in accountability can be required along with progressive increases to direct funding through CCOF (and /or service contracts for the child care related components of A/SCDP and YPP). Done sensitively it need not be onerous to providers.
- Accountability measures should be targeted toward things that improve child care access, affordability and quality... capping fees; improving staff education and wages; welcoming all children, including those with extra support needs; addressing demonstrated community need; and offering play-based

programs consistent with the BC Early Learning Framework or Aboriginal frameworks.

- Notes from City of Richmond Child Care Coordinator, Coralys Cuthbert: *Prioritize direct funding of licensed child care services, tied to accountability mechanisms –accountability not just for fees but also waitlists fees. There are some unfair situations occurring in Richmond that parents have complained about, e.g., charging non-refundable waitlist fees of up to \$200/child.*

There needs to be some consumer protection for parents re: parent contracts. Not only are families being ripped off for large non-refundable waitlist fees but some of the contracts, once they are offered a space, lock families into non-refundable deposits that are not applied to first or last month fees. A number of other fees are charged for such things as supplies. Some providers also have 2 month notices to leave a program.

Some providers lock families into contracts that require them to continue paying fees until their children age out to elementary school. A parent can't change providers and even moving out of Province does not get them off the contractual hook.

This information has come to the Richmond Child Care Development Advisory Committee and parents have also brought similar complaints to the Richmond VCH- CCFL staff.

- Regarding creating new spaces – there are widespread concerns about the accountability and long-term benefits of major child care capital grants being given to private child care businesses. Municipalities, Band Councils and other First Nations organizations, school districts, and non-profits deserve first call on the monies, as spaces created will be more likely to serve as public and community-owned assets and supports for a long time and will be more likely to prioritize access, affordability and quality over profits. Maybe the Province could earmark an envelope of funding for these groups and create a more flexible grant application program that allows applications for these more complicated multi-partner projects to apply anytime throughout a year.

Ways to increase direct funding preferably through CCOF that will reduce barriers to access for particularly vulnerable groups. Many vulnerable children need high quality child care but they are most at risk of being in unregulated care with no health and safety standards.

Supported Child Development Program (SCDP/ ASCDP)

There is a very serious crisis throughout the province for children with special needs who need to be included in quality inclusive licensed child care settings. There has been no new funding for 10 years+. (Example: Richmond has 175 children waiting... and they are not even able to access part day preschool.).

Single Parents Employment Initiative (SPEI)

The child care component of this program has some of the elements that mirror the goals of the 10aday plan and it could be broadened to a wider group of families. However, a significant question arises. Are the children being covered by this program in licensed high quality programs? Opportunity - use a differentiated CCOF (or a separate contract for service, or similar vehicle) for licensed programs that are including children from the SPEI. Marginally increase accountability for this funding by asking the recipient to account for that spending. (Note that expanding the SPEI would require separate funding to increase the other, non-child care components of the program).

Young Parent Program (YPP)

YPP has also been hungry and fragile for a long time. A relationship could be developed between the YPP and the SPEI to support the children of youth transitioning to post-secondary training and employment. This would maintain the important relationships and continuity for their children in the YPP child care programs. and would address the dilemma of the children's parents aging out. Again, however, the federal child care transfers could only be used to improve the child care component of the YPP and transition to SPEI – other funding would be required to enhance other components, such as educational and career supports.

Other matters and message reinforcements:

- If targeting is a requirement by the Federal Government, the Province should target funding to improve the potential for young children so that they have more opportunities. The above-mentioned programs all do this.
- The ECD Roundtable supports directing additional funding (with accountability measures) to licensed child care providers for services provided to ensure that public monies are being spent as intended.

Providers not wanting to serve particular populations (e.g. children with special needs or low-income families) or those not wanting to divulge their financial details would continue to operate but without increased public funding.

- Providing families directly with more funding is not a good use of public monies.... It does not build access to affordable quality child care. Direct transfers to parents, be they through the child care subsidy or tax systems, is not the way to go.
- *Would increasing subsidies for infants and toddlers increase fees?* Historically the answer is yes, for all ages, and likely even more so for children under age 3. It would mean providing parents with more funding for programs that are the least viable under the current policy conditions, so they are under the most pressure to raise fees. Child care for children <3 years of age is the most costly service to deliver and some facilities are closing. Lynell Anderson would be willing to share her analysis of these cost pressures. Provincial commitment to systemic change is the only effective answer to increasing the availability of child care services for this age group.
- Concerns were raised about the March 1, 2017 draft of the MCFD 2017-2020 Multi Year Action Plan – Overview of Year 1 (2017/2018 Actions). The document suggests that federal funding will be used to “Implement ELCC Framework” and “Expand Early Years Centres”. Roundtable participants stated that the latter activities do not strengthen or create affordable licensed child care. MCFD participants stated that there is a new draft of the document and the expansion of Early Years Centres is no longer attributed to the availability of federal child care funding.
- An overview of the new provincial spending on contracted services (CYSN Early Intervention and Prevention including IDP, SCDP, ASCDP and therapies) was provided by government staff participants.