



September 20, 2019

Honourable Katrine Conroy, Minister of Children and Family Development
Honourable Katrina Chen, Minister of State for Child Care
PO Box 9057, Stn Prov Govt
Victoria, BC V8W 9E2

Re: Child Care Capital Funding in BC

Dear Ministers Conroy and Chen,

The First Call Early Childhood Development Roundtable has been following the progress by your government in responding to the crisis and chaos facing families looking for high-quality, affordable and accessible child care for their children. We applaud the bold action and significant investments government has taken to begin building the universal child care system BC needs in response to the broad public support for the \$10aDay Child Care Plan and the research evidence behind the development of the Plan.

We are writing today to reinforce a long-standing message of concern from our members about the province's child care capital funding program, specifically with the granting of public funds to commercial, for-profit child care operators and other private property owners.

The most recent changes to the New Spaces Fund which offer higher capital funding maximums for public sector organizations, Indigenous Governments and non-profit societies is a much-appreciated move in the right direction and responds to the concern that the funding model disadvantaged non-profit applicants who found fundraising the difference between the previous maximum grant and the cost of developing a new service was insurmountable.

However, as noted in the submissions by First Call and the Coalition of Child Care Advocates of BC to the recent Finance Committee consultations for Budget 2020, we remain concerned that a significant transfer of public funding to private, for-profit operators is incompatible with government's long-term efforts to build a public, accessible child care system, as opposed to promoting child care as a market-based private enterprise.

A sample of specific concerns we are hearing from communities around BC in relation to the capital funding model include:

- Corporate recipients of grants backfilling their construction budgets, as evidenced by their ability to open new facilities by the time a grant arrived or very shortly thereafter, even though this is prohibited in the funding guidelines.
- Parents with children in for-profit facilities reporting that they are not benefiting from the Child Care Fee Reduction program as required, but their complaints are dismissed with, "if you don't like it leave. I have a lot of people on my wait list."

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- Questions about why MCFD is providing funds to enhance privately owned assets, e.g. a garage renovation for play space for a multi-age program for 8 children, given that this is a very slow way to “support the creation, expansion and relocation” of 22,000 new spaces.
- Questions about why child care capital funding is handled differently than building schools: Surrey schools are bursting at the seams, but government doesn’t give corporations grants to build schools. Private schools are non-profit, not commercial enterprises like many of the small child care chains that are emerging in BC. Non- profit private schools get some operating funding but no capital.

In light of these continuing concerns, we urge your government to phase out the longstanding use of reactive, one-off capital grants to third parties, especially for-profit operators, to purchase, build or renovate individual, privately-owned child care facilities, and transfer capital grant funds into a new, separate child care capital budget for the purchase and development of child care assets that are publicly owned. The Ministry of Education, which is well set-up to manage capital projects, is a more logical ministry to manage this capital budget.

We thank you for your consideration of our concerns and recommendations and will be in touch with your offices to request a meeting to discuss them.

Sincerely,



Adrienne Montani
Provincial Coordinator

Copies: Hon. Carole James, Minister of Finance
Allison Bond, Deputy Minister, MCFD
Christine Massey, Assistant Deputy Minister, Early Years and Inclusion, MCFD
Hon. Rob Fleming, Minister of Education
Rachelle Ray, A/Director, Capital Projects Unit, Ministry of Education