



Working together for a community based, non-profit child care system that is high quality, affordable, accessible, publicly funded and accountable.

**Submission to the BC Select Standing Committee
on Finance and Government Services**

September 2013

No matter if government chooses to focus on resource sector development, a green economy or skills development, or all three – a prosperous British Columbia requires strong labour force participation and parents of young children need access to affordable, quality child care if they are to be part of that prosperity.

The Current Crisis

Currently we have a child care crisis in every community, large and small, in our province - a crisis that negatively impacts children, women, families, workers and our economy. The solution is the Plan for a Public System of Integrated Early Care and Learning – known as the **\$10 a day child care Plan**.

In the spring of 2011, the Coalition of Child Care Advocates in partnership with the Early Childhood Educators of BC released the Community Plan for a Public System of Integrated Early Care and Learning that offers a concrete, innovative ‘made in BC’ solution to the child care crisis facing families with young children.

The Plan builds on well-established evidence that:

- Quality child care IS early learning
- Current policies and approaches do not meet the need of BC’s children and families
- Public spending on the early years is a wise social and economic investment
- Access to affordable quality child care increases labour force participation rates

Supporters of the Plan represent 1.6 million British Columbians. Parents, grandparents, and educators have endorsed the Plan on-line, and a massive and diverse list of organizations, municipal governments, school boards, unions, businesses and academics have officially supported the Plan because it resonates across the province, both in and out of the early childhood sector as real and achievable. See the attached list of those who support:

1. Moving child care from the Ministry of Child & Family Development to the Ministry of Education;
2. New Early Care and Learning Legislation;
3. A new role for Boards of Education with mandate and funding;
4. The development of Early Years Networks building from licensed child care services that currently exist;
5. Enhancing Kindergarten and grade one with Early Childhood Educators in classrooms;
6. Respecting that First Nations must have the resources to govern their own early care and learning plans;
7. A workforce strategy to raise the level of education of those working with young children

When government puts the Plan in place, child care will cost families \$10 a day for a full-time program, \$7 a day for part-time, and no user fee for families who have an annual income of under \$40,000. Every young child will have the right to access quality early care and learning programs.

With new investments from the province, locally elected school boards will provide early care and learning programs in their communities with the operating funds they need to deliver quality programs. Early childhood educators will receive the respect and remuneration they deserve.

Why the Surrey Board of Trade is supporting the \$10/day Child Care Plan

While, in the past, governments have too often seen child care as a 'cost' the latest economic research demonstrates that investments in child care are an effective way to stimulate the economy. In fact a child care system can be self-financing.

Craig Alexander, Chief Economist with TD bank, has stated publicly that "...investment in early education can help to address core economic and social challenges facing Canada. It can help reduce poverty, address skills shortages, improve productivity and innovation, and a host of other national priorities."

For example after 12 years, Quebec's child care system is paying for itself through mothers' annual income taxes as well as consumption taxes. Pierre Fortin, Economics Professor at the University of Quebec, has proven, for every dollar Quebec invests in its child care system, it recoups \$1.05 while Ottawa receives a 44-cent windfall. By 2008 in Quebec 3.8 per-cent more women had entered the workforce as a result of expanded child care options and the ripple effect of their employment pumped an additional \$5.2 billion into the Quebec economy boosting the province's Gross Domestic Product by 1.7 per-cent.

In British Columbia the annual reports of the UBC Human Early Learning Partnership (HELP) demonstrate that 30% of BC children arrive at kindergarten developmentally vulnerable. This means that nearly one in three B.C. kindergarten children are at risk of failing to develop into the healthy, well-educated, innovative and productively-employed adults we need to secure our long-term economic sustainability. Economic analyses reveal this depletion will cause BC to forgo 20% in GDP growth over the next 60 years. The economic value of this loss is equivalent to investing \$401.5 billion today at a rate of 3.5% interest, even after paying for the social investment required to reduce vulnerability.

Government's Early Years Strategy - won't solve BC's child care crisis

There may be benefits to some of the proposed coordination, collaboration and integration initiatives, but a new government office, a registry, and the provision of more information about and stronger links between existing early years services will not address the desperate need for affordable, accessible child care services. Currently, only 19% of BC's children have access to a regulated child care space, yet the vast majority of parents are in the labour force, and many are paying annual child care fees greater than annual university fees.

Child care services:

- Only receive government funds to cover about 10% of their budgets – the rest comes from parent user fees. Fees have reached a high of \$1915/month per child, and in 2012 the BC median annual child care fee for a toddler was \$10,884.
- There is only a licensed space for about 19% of BC children.
- No level of government is responsible for child care planning. Development is ad hoc with most services clustered in areas where families can afford to pay high fees. As a result, most BC families cannot find or afford a quality, licensed space.
- A growing number of BC's child care spaces are delivered by corporations, companies, and individuals who are responsible to their shareholders and owners – not the community.

In short, government has not yet accepted responsibility for building and maintaining a quality child care system that meets the needs of families with young children – predominantly parents in the labour force.

BC Child Care is in Crisis

Today's reality in British Columbia is that families with young children need access to quality child care services – a fact reiterated in 2010, 2011 and 2012 by the Union of BC Municipalities who once again supported a resolution moving forward with a solution to the current child care crisis in their communities.

Yet BC families today are experiencing long waiting lists for child care services (especially for care for infants and toddlers) and high fees that are not affordable for most parents. Furthermore, the wages of college educated Early Childhood Educators are below a living wage, making recruitment and retention of qualified early childhood educators a serious issue in the sector.

Child care fees for parents are high because unlike libraries, parks and schools that receive public funds to cover most of their operating costs, child care in BC is primarily a user pay service. Child care fees are families' second highest expense – after housing. Child care can cost families more than post-secondary education with fees as high as **\$1915 a month for one child**.

The average wage of an Early Childhood Educator in BC is just \$16.46 an hour. This low wage is clearly not commensurate with the level of responsibility required of the profession.

Yet, the BC government currently budgets only about \$300 million a year for child care. Of this, about \$80 Million comes to BC through federal transfer payments. This low level of investment belies the fact that:

- In 2008 there were 567,000 children under the age of 12 living in British Columbia;
- 358,700 of those children's mothers were in the paid labour force.
- But in 2011, there were only approx. 97,000 licensed child care spaces.

Calling for a Moratorium on Public Funds to Commercial Child Care Expansion

We are calling on the Premier to implement an immediate moratorium on public funds being used for the expansion of commercial child care chains in BC. In the midst of a child care crisis it is unfathomable that scarce public funds would be used to fund profits for commercial operators.

In BC, due to the lack of public policy and adequate operating funding, child care is market based and provided on a fee for service basis. To date – most child care in BC has been delivered by non-profit societies, small owner-operators, or family child care providers. However, big-box commercial child care chains are quickly trying to take hold in BC, and two of these chains charge parents top of scale fees. Low income parents eligible for the provincial subsidy are unable to make-up the difference between the provincial fee subsidy and the actual cost of fees in for-profit commercial centres (e.g. maximum subsidy rate for Toddlers is \$635 but the actual parent fee can be \$1915 per month).

Based on examples from other jurisdictions, there are many concerns related to commercial child care chains which highlight that corporate responsibility to generate profits can be put ahead of quality for children and families or accountability to the general public and tax payers.

Recommendations:

No matter if government chooses to focus on resource sector development, a green economy or skills development – a prosperous British Columbia requires strong labour force participation and parents of young children need access to affordable, quality child care if they are to be part of that prosperity.

The child care crisis in BC will be resolved, family poverty reduced and our economy strengthened, when those elected to represent us move forward with the \$10/day Child Care Plan. Therefore we respectfully recommend that in 2013-2014 the provincial government:

- 1. Endorse the \$10 a day Early Care and Learning Plan for BC;**
- 2. Move child care from MCFD to the Ministry of Education;**
- 3. Implement an immediate moratorium on public funds for commercial child care chain expansion;**
- 4. Pass the Early Care and Learning Act in the Legislature;**
- 5. Immediately reduce parent fees of all Licensed Infant & Toddler child care spaces to \$10 a day;**
- 6. Establish 5 year stable budget for Child Care.**