

Coalition of Child Care Advocates of BC

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

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Victoria's Child Care Priorities Go From Bad to Worse

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With an election less than six months away, it comes as no surprise to hear the BC government make spending announcements. Child care is no exception. Government's plan to spend on child care comes after 3 years of provincial cuts – totaling \$42 million in 2004/05 alone, or 20% of the provincial child care budget of 2001/02.

The damage done cannot be reversed for the children, families and child care providers who paid the price for these cuts. For example:

- Cuts to the subsidy program left many low and moderate income families with no choice but to withdraw their children from licensed programs. For these children there will be no second chance to participate in quality child care programs.
- Loss of operating funds forced the closure of some of the most cherished child care programs in the province. What took months to destroy will take decades to rebuild.
- Caregiver wages were rolled back, driving many experienced early childhood educators out of the field, and training programs closed. The resulting shortage of qualified caregivers will plague us for another generation.

Given the devastating impacts of these provincial cuts to child care, advocates have worked tirelessly to convince the provincial government to restore provincial funding for child care, to use federal funds to supplement provincial funding, and to develop a plan to create a publicly funded quality child care system in BC.

The response? Last month, the province announced \$33 million in child care spending for the rest of this fiscal year and the next fiscal year. While some details are not yet known, we understand that these funds will be used for child care subsidies, a one-time payment to service providers, and a one time payment to establish a professional development fund.

What We Know About Government's Plans for the Child Care Subsidy Program

Starting January 1, 2005, close to \$28 million of the \$33 million announcement will go into the **child care subsidy program** which provides public funds for eligible low-income families to be used in both licensed and unlicensed care. Information provided by government indicates that:

- The **income level at which parents qualify** for a subsidy will increase by \$200 a month, a net increase of \$15 over the 2001 threshold level. The income threshold for families with children who have special needs will increase by an additional \$100 a month. Student loans will no longer be counted as income when calculating subsidies.

- Government will establish **new subsidy categories** for Licensed Family and License-not-Required (LNR) family child care providers who register with Child Care Resource and Referral (CCRR) Programs.
- There will be **no subsidy increases** for unregistered License-not-Required family care; care provided in a child's own home; or out-of-school care for children in Grade 1 and up.

This table shows the new maximum subsidy rate for the other types of care.

Type of Care	New maximum monthly rate	Old maximum monthly rate	% Increase (\$ Increase)
Pre-school	\$173.00	\$107.00	62% (\$66)
Special Needs Supplement	\$150.00	\$107.00	40% (\$43)
Kindergarten children in out-of-school programs	\$340.00	\$255.00	33% (\$85)
Licensed & Registered License-not-Required Family Care			
- 0 – 18 months	\$475.00	\$438.00	8% (\$37)
- 19 – 36 months	\$469.00	\$404.00	16% (\$65)
- over 36 months	\$415.00	\$354.00	17% (\$61)
Licensed Group Care			
- 0 – 18	\$618.00	\$585.00	6% (\$33)
- 19 – 36 months	\$555.00	\$528.00	5% (\$27)
- over 36 months	\$394.00	\$368.00	7% (\$26)

Given the dramatic cuts to child care over the last 3 years, we would love to celebrate this announcement as a victory, but the more we learn about government's spending plans, the more troubled we are. Here are our most pressing concerns:

Research tells us that subsidies do not build a quality child care system

Extensive research, confirmed by 30 years of lived experience in BC and beyond, demonstrates that subsidy systems do not build quality child care systems. As the Organization for Economic Cooperation and Development (OECD) said in its recent report on child care in Canada,

The disadvantages of subsidy funding are equally well-known... Subsidy funding to child care centres is often inefficient (many eligible parents are unable to access subsidies — see Cleveland and Hyatt, 1997), and costly to operate both at governmental and early childhood centre level... For centres too, subsidies lead to widely fluctuating enrolments, resulting in difficulties in planning, and worries about paying and retaining staff during periods when child attendance goes down... Moreover, a subsidy system attached to family income consigns the education of children to the social welfare system, and can be stigmatising for low-income children and families.

That said, without a provincial commitment to provide adequate and accountable operating funding for child care services, something had to be done to address the immediate crisis provincial cuts created. For low-income families, every penny counts.

However, government's decisions about the subsidy system moves BC further away from a child care system that is based on the research.

More public money for unlicensed care

BC is the only province in Canada that allows child care subsidies to be used in unlicensed care. For years we have been concerned about this policy. Now that the research is so clear about the importance of quality and about the role training, stability and licensing standards play in promoting quality, we would expect government to begin reversing this trend.

Instead, BC's government is moving in the opposite direction! For the first time in history, the maximum subsidy rate for 3-5 year olds in unlicensed care is **higher** than the rate for 3-5 year olds in licensed group centres where staff are required to have post-secondary education and meet other standards.

Overall, licensed group centres received the smallest increases in subsidy rates. Many group programs will either have to raise fees, putting them further out of reach of most families, or continue to subsidize quality through low wages. Financial stability will be further compromised and Early Childhood Development training and professionalism undermined.

Government justifies this decision on two grounds. First, they will now require Licensed-not-Required (LNR) caregivers to register with Child Care Resource and Referral (CCRR) programs in order to receive a higher subsidy rate. While registration may be better than no regulation, requirements are minimal. This approach does not reflect the overwhelming research on the key elements of quality child care systems.

Government also justifies more public spending on License-not-Required care by saying that this is the care 'parents choose'. But, as many others have pointed out, given the chronic shortage of licensed spaces and the cost of the licensed spaces that do exist, current usage patterns cannot be mistaken for 'real choice'. Current government policy limits parent choice by steering families to unlicensed and unmonitored services.

This is not a criticism of parents who use unlicensed care, committed family caregivers across BC, or staff of Child Care Resource and Referral Programs who work hard to improve quality. Every parent wants the best care they can find and caregivers do the best job they can in spite of the lack of adequate public policy and resources. The criticism is directed at a government that continues to ignore the research.

Public accountability is absent

We know that BC currently has about \$90 million in federal transfer funds available this fiscal year for early childhood development, including child care, and we understand that the provincial child care budget is underspent. What we don't know is how much of the \$33 million recently announcement relates to the current fiscal year, utilizes federal funding available for this year, reflects an approved increase in the province's child care budget or is actually a reallocation of underspent funds.

The BC government has a responsibility to publicly report how it spends the \$250 million it has received from the federal government over the last 4 years for early childhood development, including child care. The community is highly skeptical that the \$33 million is actually new money rather than yet another example of federal funds being used to replace provincial cuts.

There is still no public plan

A 'flurry of announcements' does not make a plan. Advocates have 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. Given the federal promise of a new national child care system that is on the table, the need for accountability has only increased.

To ensure accountability, federal funds must be tied to provincial plans for building a high quality, universal system of care. BC cannot use federal funds to replace provincial cuts or to entrench the weaknesses of the current system.

Government Ignores the Research at the Peril of BC's Children

There is growing consensus at an international level about the key principles of quality child care systems including public funding, universality, licensing standards, staff training and appropriate working conditions.

If BC's child care policy was truly evidence-based, government would:

Develop a five year plan for moving away from a user fee/subsidy system to a publicly funded system based on the principles of Quality, Universality, Accessibility, Developmental programming and Inclusion.

To implement this plan, BC would:

- Restore child care to 2001/02 levels.
- Use existing and future federal funds to supplement rather than replace provincial cuts.
- As a first step, begin to provide direct public funding to licensed child care programs with accountability measures tied to quality, affordable parent fees and improved wages and working conditions.

The Coalition of Child Care Advocates of BC calls on the provincial government to adopt this plan. Then – we would all celebrate a victory for the province's children and the families and caregivers who care for them.

Write Premier Campbell and urge him to adopt this plan. For a letter you can send, go to www.cccabc.bc.ca/act/funds