



COALITION OF

# child care advocates OF BC



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

November 3, 2015

The Honourable Christy Clark  
Premier of British Columbia  
Box 9041  
Station PROV GOVT  
Victoria, BC V8W 9E1

Dear Premier Clark,

We are gravely concerned about your government's practice of providing public funds to for-profit commercial child care. We believe that not only does this practice disadvantage many families who need quality, affordable community child care for their young children; it is also an improper use of tax payers' dollars. Public funds should not be used to leverage substantial private gain.

Our concern about the growth of commercial child care in BC is on record. It is based on an extensive body of research and evidence from other jurisdictions.

It is well documented that for-profit commercial child care is associated with high parent fees and limited access. In Australia, the growth of the commercial sector dramatically increased both government expenditures and parent fees. In addition, the need to turn a profit inevitably results in downward pressure on staff wages and working conditions and demands for less regulation, all of which compromise quality of services.

Currently the Ministry of Children and Families provides funding to the commercial child care sector through the Child Care Operating Fund (CCOF) and through the Major Capital Funding Program. In 2012 we asked then Minister McNeil to implement a moratorium on new approvals of CCOF for the commercial child care chains operating in BC. Using 'choice' as the reason, the Minister's response was that your government supports all types of child care. Yet the commercial chains charge exorbitant fees, making them an out-of-reach choice for many BC families.

More recently, through the 2014/2015 Major Capital Funding Program, the commercial child care sector received almost \$4 million dollars, 26% of the available funds. Again among the recipients were commercial chains that are more than capable of financing their own expansion. In fact, we have reports that in some cases capital funding was granted after these enterprises had built or renovated a facility and in one case was already operating.

We also have reports that many of the commercial child care chains that received capital funds in 2014/15 are establishing in affluent neighbourhoods and, as is now quite typical, charging fees at the top of the scale.

Furthermore, even a perfunctory review of the information on the capital grants distributed in 2014/15 by the Ministry of Children and Family Development raises serious questions for which we would like answers:

- What measures are employed by the Ministry to ensure that those granted capital funding are meeting community child care needs and priorities and charging parent fees that do not exclude use by moderate income families, including those eligible for subsidy?
- Do recipients have the experience required to provide child care services? Our analysis shows that twelve of the smaller commercial recipients are apparently brand new companies, with incorporation dates in 2014 and 2015.
- Does the Ministry perform a value for money evaluation of this program?

But here's the bottom line. According to a Fraser Institute report, at a Board of Trade luncheon several years ago, when you were Minister of Education, you were asked why for-profit schools were not eligible for the operating grants that independent non-profit schools receive. You answered, "Because they are for-profit".

The purpose of this letter is to ask you to apply this principle to early care and learning programs for young children but most importantly, and effective immediately, to the Major Capital Funding Program for child care. Please limit the availability of capital funding to non-profit societies in good standing with the BC Corporate Registry, local government, public institutions, bands/tribal councils and First Nations Governments. Please stop funding for-profit commercial child care companies.

We look forward to receiving your response to our questions and to this request.

Thank you,



Susan Harney, Chairperson  
Coalition of Child Care Advocates of BC

cc. Auditor General Carol Bellringer  
Minister Stephanie Cadieux  
Minister Mike Bernier  
Leader, Official Opposition John Horgan  
MLA Doug Donaldson  
MLA Rob Fleming

