



BRITISH
COLUMBIA

December 7, 2015

Ref: 225406

Susan Harney
Chairperson
Coalition of Child Care Advocates of BC
2772 East Broadway
Vancouver BC V5M 1Y8

Dear Ms. Harney:

Thank you for your letter addressed to the Honourable Christy Clark, Premier, regarding your request to limit the availability of capital funding to non-profit societies in good standing. As Minister of Children and Family Development, I am pleased to respond on the Premier's behalf.

Child care and the creation of child care spaces are key priorities for this government. As part of the *Early Years Strategy*, government outlined an eight year goal of opening 13,000 new licensed child care spaces, beginning with the creation of 2,000 spaces by 2015/2016. Preference will be given to applications that will create child care spaces in underserved areas of British Columbia and on school grounds, where children can smoothly transition from early years programs, to the classroom, to after-school care.

The demand for quality child care is increasing and the availability of spaces is becoming more important to the economy of British Columbia given the expected growth in labour force demand over the next ten years. We recognize that government cannot do this on its own and success requires the commitment of a wide range of service providers including private and family care operators.

Private child care providers play a key role in the provision of quality early learning and child care services across British Columbia and face similar capital costs as non-profit operators. However, they do not benefit from the ability to solicit charitable donations from the public. By including the private sector, we are enhancing child care options in communities throughout the province, including rural communities, and creating an opportunity for both non-profit and private operators to create new child care programs province-wide.

In recognition of the different business models used by child care operators, non-profit child care organizations may receive up to a maximum of \$500,000 in capital funding and private child care organizations may receive up to a maximum of \$250,000. The ministry does its diligence and takes every measure to ensure that the funding granted to all child care providers -- including private child care operators -- are used for the intended purposes. Some of the accountability mechanisms that have been established in the ministry's Child Care Major Capital Funding program, which apply to both non-profit and private child care providers, include:

- As part of their application, projects must prove that they are financially viable and have a solid business plan for the operation of a child-care facility;

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- Applicants must demonstrate that the organization has knowledge skills and experience to undertake the project;
- Applicants are required to provide written confirmation of their financial contribution and ensure their funding is in place before approval of provincial funding will be considered;
- Projects must meet provincial licensing requirements as outlined in the Child Care Licensing Regulations;
- Projects must demonstrate a commitment to continue the child care operation for a minimum period of five or ten years, depending on the type of project and amount of funding received; and
- Depending on the amount of funding and in cases where the land or building is owned, the Minister is able to place a legal notation on the title, which restricts the sale, transfer, mortgage or lease without written consent of the Minister. If the child care operation ceases prior to the end of the funding agreement term, the recipient is required to repay the capital funding on a prorated basis.

Accurately assessing the community need for child care spaces is an important consideration when making decisions regarding the distribution of Child Care Major Capital Funding. Applications for capital funding are evaluated based on a number of criteria, including an assessment of community need for child care spaces, viability of business plans and a number of financial considerations. The Ministry primarily uses two indicators to determine and measure community need:

1. Supply of licensed funded child care spaces for children aged 0-12

The Ministry conducts a review of the current supply of licensed child care spaces that are funded through the Child Care Operating Funding (CCOF) program, and then cross-references these spaces against the child population.

2. Child care space utilization rates

The child care space utilization rate provides an indication whether child care facilities within a geographic area are fully enrolled (or whether existing child care facilities may have vacancies). Child care space utilization rates are calculated using child enrolment and licensed space information collected through the CCOF program, representing over 5,000 licensed child care facilities and over 111,000 licensed child care spaces in British Columbia.

Additional consideration is given to applications which create Aboriginal, First Nations or Métis child care spaces on- or off-reserve or in vulnerable areas of the province (as defined by the Early Development Instrument). Applications recommended for funding are reviewed to ensure a mix of geographic locations and demographics.

After each application intake, the Ministry conducts an internal review of the program and solicits feedback from applicants, stakeholders, and members of the Provincial Child Care Council. Feedback received from this evaluation is used to inform improvements to the program for the next intake. .

You also mention that private child care operators charge higher fees compared to non-profit operators, making them out-of-reach for many families in British Columbia. For your reference, I've attached a table with data from the 2014/15 Child Care Provider Profile Survey that shows median child care fees charged by private operators are comparable to fees charged by non-profit providers.

Median Monthly Family Child Care Fees by Type of Care, Non-Profit vs Private (2014/15)

Type of Care	Non-Profit	Private	Provincial Total
Infant	\$975	\$1000	\$995
Toddler	\$930	\$900	\$925
30 Months to 5 Years	\$728	\$750	\$750
Licensed Preschool (3 Days per week)	\$163	\$192	\$175
OOS Kindergarten (Before & After School Care -i.e. Full Day Kindergarten)	\$375	\$400	\$400
OOS Care (Grade 1+)	\$280	\$325	\$304

Source: 2014/15 Child Care Provider Profile Survey

With respect to your concerns about making child care affordable for moderate income families, Government introduced the BC Early Childhood Tax Benefit in April 2015. This benefit provides \$146 million annually to approximately 180,000 families with children under the age of six. Families are eligible to receive up to \$55 per month, or \$660 per year. Government also provides child care subsidies to help low income families afford child care – helping an average of 21,172 children each month.

The Province is committed to supporting quality child care, and will continue to work with parents, communities, and stakeholders to create a strong foundation for early childhood development, early learning, and child care for families in British Columbia.

Sincerely,



Stephanie Cadieux
Minister

pc: Honourable Christy Clark

