



September 2016

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

**For BC families with young children the child care crisis is as serious as the housing crisis.**

In its 2013, 2014 and 2015 reports, the Provincial Standing Committee on Finance recommended to the Legislative Assembly that the provincial government: *Provide funding and support for the development and implementation of a child care plan* (2013: #57 and 2014: #40 and 2015: #34).

However, to date the provincial government has not responded in any meaningful way to implement a plan to respond to the current child care crisis.

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### The State of Child Care in BC

BC invests less in early education and care than the Canadian average, which is already one of the lowest among developed nations and far short of the minimum public investment levels recommended by UNICEF and the OECD. The result is a fragmented patchwork of child care programs that fails to meet the needs of many families<sup>i</sup>.

2014 snapshot in BC<sup>ii</sup>:

570,200 children  
with 363,800 employed mothers  
but only 106,719 licensed child care spaces

- **High costs:** BC has the second highest fees in Canada, with average fees in Vancouver at \$959 to \$1437 per month depending on the child's age<sup>iii</sup>. Subsidies for low-income parents are far less than the cost of care and have been frozen for more than ten years. Fees have risen faster than inflation.
- **Long wait lists:** BC has only enough regulated child care spaces for approximately 20% of children. Quality spaces are only vacant because parents can't afford the cost – not because they don't need the care.
- **Women forced to abandon paid work and career goals:** The lack of affordable child care spaces is a significant barrier for mothers who want to return to work or pursue education; this contributes to gender inequality and weakens the BC economy. It is estimated that work-life conflict for employees costs BC businesses more than \$600 million per year.
- **Reliance on unregulated child care:** Because of high costs and lack of spaces, some parents turn to unregulated child care, with no training requirements, health and safety standards, monitoring or oversight.

- **Low wages for early childhood educators:** Their median wage is 19% lower than that of BC workers overall, which leads to high turnover and chronic staff shortages, and contributes to financial insecurity of educators, many of whom are women with children of their own. Two local organizations (Westcoast Child Care Resource Centre and ECEBC) in Vancouver report 84 unique job posting for early childhood educators reflecting the severe shortage of staff in the sector.
- **Rollback of Regulation:** Sadly, on July 18<sup>th</sup>, 2016 an Order in Council was signed by Minister Terry Lake which reduced the amount of required outdoor play space in child care programs from 7 square meters to 6 square meters per child. This despite overwhelming evidence from experts of the need for more outdoor space not less and rising trends of childhood obesity and screen time.

## **The Solution to Child Care Chaos – the \$10aDay Plan:**

The Community Plan for a Public System of Integrated Early Care and Learning – commonly known as the \$10aDay Plan - offers a concrete solution to the chaos BC families face when they need child care.

There is even more reason to move ahead with the \$10aday Plan now that new federal child care funds, approx. \$52million for BC, will start to flow April 2017.

New federal funds can be used for policy options that will move BC's child care policy toward the goals of the \$10aDay Plan – goals which include full support for the right of First Nations and Aboriginal communities to design, govern and deliver culturally relevant child care programs for their communities.

The good news is that some of government's recent policy directions echo elements of the Plan. For example, the Plan's proposal that families with incomes under \$40,000 a year pay no child care fees is reflected in the Single Parent Employment Initiative. Senior staff in the BC government now also acknowledge their understanding that increases to low-income child care subsidies will not improve affordability for parents without a cap on fees, and in fact will result in fees being less affordable for middle-class families.

The value of the \$10aDay Plan's proposal to integrate child care into the Ministry of Education (as most other provinces and territories have already done) now seems to be more widely understood. A growing number of BC school districts are acting on it by directly operating or contracting with local non-profit organizations to provide licensed child care in schools and by integrating Early Childhood Educators into kindergarten classrooms.

These steps demonstrate ways that government, working with communities, can use new federal funds to begin the systematic implementation of the \$10aDay Plan policies.

However, applying new federal funds to some of the current provincial child care programs will not solve BC's child care chaos and would, tragically, miss an opportunity to get on with the job of providing the services BC families need and communities want.

Ontario is providing an example of transformative change by committing to 100,000 new child care spaces in the next 5 years; doubling the number of spaces for 0-4 year olds in that province. Surely our government, with its high performing economy, can invest in BC families?

## Public investment is required in three main areas:

- *Increased capacity*, ensuring access to licensed spaces for all families who need it
- *Improved affordability*, with fees set at \$10 a day for full-time and \$7 a day for part-time programs (no fee for families earning less than \$40,000 annually)
- *Higher quality* through higher education levels and fair compensation for staff, and better monitoring and accountability mechanisms

## What will implementation of the \$10aDay Plan require?

UBC researchers estimate that a fully phased-in \$10 a day child care plan would require \$1.5 billion in additional public funding to cover operating costs, after accounting for parent fees.

BC could expect an almost immediate boost in economic activity. Economist Iglia Ivanova estimates that the increased workforce participation of mothers of young children would grow BC's economy by \$3.9 billion per year, and would generate approximately \$1.3 billion in revenues to the provincial and federal governments once fully phased in.

In other words, the women who benefit the most from the program by being able to return to the workforce or transition from part-time to full-time work would cover a large share of the costs through the taxes they pay directly and the economic activity they generate in the local economy.

## Federal support for child care:

A joint federal-provincial investment in child care in BC will almost pay for itself, generating 86 cents in government revenues for every dollar invested in the program, lowering the remaining public cost in BC to only \$200 million per year. This is a very small cost relative to the size of the provincial and federal budgets.

Total new public funding needed (after \$10 a day parent fees)	\$1.5 billion
Estimated increase in revenues to the BC government due to more women working (results in economic growth, more tax revenues, and less use of income-tested benefits)	\$630 million
Estimated increase in revenues to the federal government due to more women working	\$668 million

Net new public investment needed after accounting for higher federal and provincial revenues (assumes federal-provincial co-operation on creation of \$10 a day child care) \$202 million

## **\$10aDay Child Care Plan for BC is key to dealing with affordability issues for middle-class families and the creation of a poverty reduction plan. British Columbians are calling on government to implement it.**

Support for the Plan is unprecedented and includes: 46 municipal and regional governments, 30 Boards of Education, Vancity Credit Union, CCEC Credit Union, all major labour unions in BC, small businesses, hundreds of community organizations, thousands of parents and grandparents, Chambers of Commerce and the Surrey Board of Trade, Medical Health Officers Council of BC, academics, politicians and senators, and many, many more (list of organizational supporters attached).

# 2016 Recommendations

## Coalition of Child Care Advocates of BC to the BC Select Standing Committee on Finance and Government Services

1. **Endorse the \$10aDay Child Care Plan for BC.**
2. **Commit new federal child care funds to the gradual implementation of \$10aDay Plan.**
3. **Immediately reduce fees to \$10aDay in all licensed infant and toddler programs that embrace accountability requirements.**

*This will create immediate relief for families who now pay some of the highest fees in the country and create an economic spin-off when families can spend more in their local economies on goods and services.*

4. **Immediately eliminate child care fees for families earning less than \$40,000 annually.**

*This will significantly reduce family and children's poverty and eliminate the costly and bureaucratic red-tape of the current low-income subsidy system.*

5. **Follow the lead of the majority of provinces and territories by moving the Child Care Branch out of the Ministry for Children and Family Development and into the Ministry of Education.**

*This costs government little and ensures that, from the start, the Plan is implemented in a way that ends the false divide between 'early care' and 'early learning'.*

6. **Implement an immediate moratorium on public funds for commercial child care chain expansion.**

*Rather, work with the many municipalities and school boards who have endorsed the Plan to expand access through public and community-owned spaces, this will promote accountability for public funds.*

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<sup>i</sup> Excerpts from Solving BC's Affordability Crisis in Child Care: Financing the \$10 a day plan. July, 2015. Iglia Ivanova, BC Office, Canadian Centre for Policy Alternatives.

[https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2015/07/ccpa-bc-solving-childcare-summary\\_0.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2015/07/ccpa-bc-solving-childcare-summary_0.pdf)

<sup>ii</sup> Early Childhood Education and Care in Canada 2014, Friendly, Grady, Macdonald, Forer, December 2015, Child Care Resource and Research Unit

<http://childcarecanada.org/sites/default/files/ECEC-2014-full-document-revised-10-03-16.pdf>

<sup>iii</sup> Westcoast Child Care Resource Centre 2016 Fee Survey

[http://www.wstcoast.org/pdf/feesurvey/2016GDCFee%20SurveyResult%20\(Public\).pdf](http://www.wstcoast.org/pdf/feesurvey/2016GDCFee%20SurveyResult%20(Public).pdf)