



**Submission to Select Standing Committee on Finance and Government Services
\$10aDay Child Care Recommendations for BC Budget 2019¹**

In Budget 2018 the BC government took bold initial steps to address the child care chaos with \$1 billion in new funding over three years. Based largely on the \$10aDay Plan, government is already lowering parent fees, raising educator wages and education, and creating more licensed spaces. Government has also confirmed its commitment to Indigenous-led child care and initiated an expansion of Aboriginal Head Start.

We congratulate the BC government for listening to the needs of families and the evidence of economists by starting to build the quality affordable child care system that will benefit British Columbians into the future.

Our recommendations for Budget 2019 build on this solid foundation, nuancing government's *Child Care BC* plan to maximize effective implementation and public accountability. We have five key recommendations:

1. **Affordability – to ensure that parent fees are more affordable for everyone we recommend that government re-allocate this funding envelope to reduce the income-tested Affordability Benefit and increase the universal Fee Reduction Initiative.**

The Fee Reduction Initiative (FRI) is an effective and popular policy. Most eligible providers are now using public funds to lower parent fees for all families and limit fee increases. While subsidies, such as the Affordable Child Care Benefit (ACCB), can work alongside the FRI to benefit lower-income families, research shows that relying on subsidy approaches will not achieve affordable child care.

Specifically, starting in fiscal 2019/20 we recommend that government re-allocate funding from the planned expansion of the ACCB to an expansion of the FRI. Then, government can invite school-age and preschool programs to participate in the FRI, for the first time, and increase the existing FRI for families of children aged three to five in licensed programs, while ensuring that all families earning less than \$45,000 annually pay no parent fees in licensed child care.

¹ The Coalition of Child Care Advocates of BC is an inclusive, feminist, membership-based organization comprised of individuals and groups including parents, grandparents, child care providers, community organizations, academics and unions. Through research, public education and mobilization, we work collectively to achieve a high-quality, affordable, accessible child care system that serves the public interest. We do not receive public funding.

With the Early Childhood Educators of BC, we developed the *Community Plan for a Public System of Integrated Early Care and Learning* - grounded in research and evidence, informed by policy lessons from other jurisdictions, strengthened through ongoing consultation province-wide and popularly known as the \$10aDay Child Care Plan.

2. **Access** - to ensure that public funding quickly creates quality publicly-owned child care facilities we recommend that government transfer remaining capital grant funds into a new, separate child care capital budget for purchase/building of public assets, beginning with the immediate bulk purchase of custom-designed modular buildings to house new child care facilities.

Just imagine if we relied on capital grants to fund schools – expecting groups of parents or teachers to identify and justify the need, find the location, develop and oversee the construction process and come up with some of the required funding themselves.

Given the urgent need for more licensed spaces we recommend that government purchase quality modular child care facilities, which can be located on public grounds across the province, and phase out the use of capital grants to third parties to purchase/build privately owned facilities. This action can be undertaken alongside the planning required, both locally and provincially, to develop a comprehensive capital budget for full implementation of universal child care.

3. **Quality** – to more substantially address the recruitment and retention crisis, which is essential to ensuring quality child care, we recommend an additional wage lift of \$1/hour effective April 1, 2019 (in addition to the \$1/hour increase already committed for 2018/19 and 2020/21).
4. **Infrastructure** – to align government’s commitment to a universal child care system with BC’s existing system of universal public K-12 education, we recommend that government transfer the Child Care Branch from the Ministry of Children and Family Development to the Ministry of Education. This approach is consistent with the evidence, and the majority of Canadian provinces and territories, and it is incorporated into the \$10aDay Child Care Plan.

The above recommendations are effective starting in fiscal 2019/20, year 2 of government’s *Child Care BC* implementation. For Budget 2019, the significant cost associated with these recommendations for years 2 (2019/20) and 3 (2020/21) is the cost of establishing the capital budget, assuming that:

- Affordability and Infrastructure recommendations involve re-allocation and transfer of funds
 - Increase in operating cost associated with the Quality recommendation can be offset by the reduction in the operating budget allocation for capital grants to third parties (Access recommendation).
5. **Implementation** – to ensure that the number of families who have access to quality, affordable, licensed child care continues to grow, and the projected social and economic benefits² are realized, we recommend that Budget 2019 include an increase in operating funding for fiscal 2021/22 of \$200 million, bringing the new funding budget for *Child Care BC* to \$664 million in year 4 of implementation.³ This recommendation is consistent with the implementation modelling carried out for the \$10aDay Plan, which projects full implementation of quality, universal child care within 8 – 10 years.

² Multiple studies confirm the social and economic benefits associated with full implementation of the \$10aDay Plan. See, for example, https://www.10aday.ca/economic_study_2017

³ In Budget 2018, the *Child Care BC* funding commitment for 2020/21 was \$464 million. Based on this projection, the recommended new funding for *Child Care BC* in Budget 2019 is \$664 million (464+200) in 2021/22. These figures do not include anticipated federal child care funding, not yet confirmed.