

COMMUNITY ISSUES AND SOCIAL PLANNING COMMITTEE

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

Re: Update on Burnaby Association for the Mentally Handicapped (BAMH)  
Infant/Toddler Child Care Situation

RECOMMENDATIONS:

1. **THAT** the Mayor, on behalf of Council, write to the Minister for Children & Families to:
  - (a) extend appreciation for the Ministry's decision to provide emergency funding to assist with the Burnaby Association for the Mentally Handicapped's infant/toddler care program deficit.
  - (b) request that a comprehensive Provincial Child Care Plan be developed to provide increased stability and certainty to the child care sector in BC, with priority being given to infant/toddler care.
  
2. **THAT** copies of this report be sent to:
  - ▶ Burnaby's four MLA's
  - ▶ Elaine Murray, Regional Executive Director, Simon Fraser Regional Office of the Ministry for Children & Families
  - ▶ Jack Styan, Executive Director of the Burnaby Association for the Mentally Handicapped.

REPORT

Council, at the regular Council meeting held on 1999 January 18, received and subsequently referred a report regarding the Burnaby Association for the Mentally Handicapped Infant/Toddler Child Care Services back to the Community Issues and Social Planning Committee for further review.

Based on Council's direction, the Community Issues and Social Planning Committee, at its meeting held on 1999 January 27, received a report regarding the Infant/Toddler Child Care Services and subsequently referred same back to staff for further review.

Given the urgency of BAMH's financial difficulties, the Committee agreed to forward the updated report to Council in advance of the Committee's March meeting, subject to a telephone poll to ensure that members supported the report and its recommendations. The report was circulated to Committee members and subsequently received endorsement.

: COPY - CITY MANAGER - DIRECTOR FINANCE - DIR. PLNG. & BLDG. - DIR. PARKS, REC. & CULT. SERV.
---

With reference to Recommendation 1(b), staff advise that the Plan should provide a strategic long term vision for where child care is headed in the province, and how the government, child care providers, and community can cooperate in the plan's realization. It should seek to increase the stability and reduce the uncertainty for the child care sector, addressing such matters as affordability, accessibility, quality, sustainability and accountability. Recognizing the pressures placed on available discretionary funds, the plan should also strive to ensure that child care spending is as efficient as possible, with reallocation of resources being made as required. For example, child care advocates suggest one area that could be examined is the Province's policies regarding child care subsidies. At present, over half the subsidies are allocated to families using unregulated care - a practice that may support parental choice, but one that counters efforts to promote accountability and quality care.

Respectfully submitted,

Councillor D. Johnston,  
Chair

Councillor N. Volkow,  
Vice Chair

TO: COMMUNITY ISSUES & SOCIAL PLANNING COMMITTEE 1999 FEBRUARY 23

FROM: DIRECTOR PLANNING AND BUILDING OUR FILE: 17.410

**SUBJECT: UPDATE ON BURNABY ASSOCIATION FOR THE MENTALLY HANDICAPPED INFANT/ TODDLER CHILD CARE SITUATION**

PURPOSE: To provide further information on the proposed closure of the Burnaby Association for the Mentally Handicapped's infant/ toddler child care programs.

---

**RECOMMENDATIONS:**

1. **THAT** the Mayor, on behalf of Council, write to the Minister for Children & Families to
  - a) extend appreciation for the Ministry's decision to provide emergency funding to assist with the Burnaby Association for the Mentally Handicapped's infant/ toddler child care program deficit,
  - b) request that a comprehensive Provincial Child Care Plan be developed to provide increased stability and certainty to the child care sector in BC, with priority being given to infant/ toddler care.
  
- 2) **THAT** copies of this report be sent to
  - Burnaby's four MLAs
  - Elaine Murray, Regional Executive Director, Simon Fraser Regional Office of the Ministry for Children & Families
  - Jack Styan, Executive Director of the Burnaby Association for the Mentally Handicapped.

**R E P O R T**

**1.0 BACKGROUND**

At its 1999 January 18 meeting, Council received a staff report regarding the proposed closure of the Burnaby Association for the Mentally Handicapped's (BAMH's) infant/ toddler child care programs. The report was prompted by the news that, for financial reasons, the Association intended to close the infant/ toddler child care programs at its Variety Hotelier and Fair Haven sites in early 1999. It recommended that Council request the Minister for Children & Families to:

- a) provide emergency funding to BAMH to help the Association with its deficit and continue to operate its infant/ toddler child care programs,
- b) seek to ensure that sufficient funds be available to cover costs of settlements reached for BCGEU child care workers at the Community Social Services Employers' Association (CSSEA) bargaining table, and
- c) develop a comprehensive Provincial Child Care Plan to bring stability and certainty to the child care sector.

Council referred the report to the Community Issues & Social Planning Committee for its review. The Committee, in turn, asked for a further report on the matter. Given the urgency of BAMH's financial difficulties, the Committee agreed to forward the updated report to Council in advance of its March meeting, subject to a telephone poll to ensure that members supported the report's recommendations.

This report responds to the Committee's request. It begins with a summary of key points from the previous report, provides an update on BAMH's infant/ toddler child care situation, and discusses the broader question of the stability of child care in Burnaby and BC.

## 2.0 SUMMARY OF PREVIOUS REPORT

Key points cited in the previous report on the BAMH child care situation were as follows:

- BAMH is the second largest provider of group day care services in Burnaby, following SFU. It currently operates six child care programs, with a total licensed capacity of 124 spaces. 32 of these spaces are for infants and toddlers (children aged under 3 years), representing 17% of the licensed infant/ toddler group day care spaces in the city.
- Twenty infant/ toddler spaces are located at the Variety Hotelier site, and the remaining 12 are located at the Fair Haven site. Unless emergency funding was provided, BAMH proposed to close the Variety Hotelier spaces on 1999 March 1, with the Fair Haven spaces being closed sometime thereafter.
- The Executive Director of BAMH cited two key reasons for the proposed closures:
  - 1) *Introduction of Supported Child Care:* With the introduction of the Supported Child Care Initiative, and phase out of the Special Needs Child Care Program, global funding for the Association's child care programs ended in 1998. The Executive Director of BAMH acknowledges the merits

of Supportive Child Care (e.g., promoting parental choice and enabling children with special needs to obtain care in "typical" settings). Nonetheless, he claims its introduction has resulted in significant revenue reductions for his organization and other agencies that formerly had special needs child care contracts.

- 2) *Increasing Compensation Costs:* The Community Social Services Employers' Association (CSSEA) was established in 1994 to coordinate human resources planning and labour relations within the community social services sector in BC. Since 1994, when CSSEA began bargaining on behalf of BAMH, the Association's child care wages have increased by 14%, while Provincial funding to offset these increases has only risen by about 8%. Additional salary increases are expected in the current round of CSSEA bargaining. BAMH's Executive Director expresses concern that, if Provincial funding increases do not match wage settlement hikes, the Association could be in an even more difficult financial situation in the future. As discussed in Section 4.0 of this report, the concern regarding compensation costs is particularly acute for infant/ toddler care, given the relatively high staffing requirements for such care.

- BAMH projected a deficit of \$129,419 for its six child care centres for the 1998-99 fiscal year. To address this situation, the Association took three actions:
  - 1) Reduced the number of supervisors at the Variety Hotelier and Fair Haven centres
  - 2) Reduced supervisory administrative time
  - 3) Raised user fees

Despite these actions, preliminary budgets for the Association's child care programs for 1999-2000 showed a projected deficit of \$51,075. The projected deficit for the infant/ toddler programs was \$54,612 - *accounting for 107% of the Association's total projected child care deficit for the year.*

- The Executive Director and President of BAMH had initiated discussions about the financial concerns facing the Association's child care programs with officials from the Burnaby Regional Office of the Ministry for Children and Families (MCF). At the time of writing, no resolution had been reached.
- Some financial challenges being faced by BAMH were unique to the Association - namely the impact of the transition to Supported Child Care and the relatively high wages of the Association's child care employees. Other challenges were shared by the broader regulated child care sector in the province.

### **3.0 UPDATE**

As stated, the Executive Director and President of BAMH had initiated discussions about the Association's child care funding concerns with representatives of the Burnaby Regional Office (since subsumed under the Simon Fraser Regional Office) of MCF. Three Burnaby MLAs also became involved in the discussions. The Association had requested a grant of \$100,000. The Ministry offered one time only emergency assistance of \$50,000. The Ministry also asked that BAMH give a minimum commitment of continuing to operate its infant/ toddler child care programs until 2000 March 31. BAMH agreed to the terms. BAMH also agreed to supplement its parental fee and Provincial grant revenues with funds raised through the Association's charitable fundraising efforts. At present, the Association is preparing a business plan to help ensure the longer term viability of its child care programs.

### **4.0 DISCUSSION**

Retention of BAMH's infant/ toddler child care spaces should be seen as positive news. The retention will benefit current and future families using the spaces, staff working in the centres, and the community at large. It is believed that MCF and the Burnaby MLAs involved deserve credit for their efforts to help reduce the BAMH's child care operating deficit. It is also believed that the Association deserves credit for making a commitment to operate its infant/ toddler child care programs in the short term and, it is hoped, in the long term - particularly in light of a smaller than requested grant being offered by the Ministry.

Notwithstanding the "good news" regarding BAMH, however, broader structural issues regarding regulated child care in Burnaby and BC need to be recognized and addressed. The issue is particularly acute for licensed infant/ toddler care providers. Through the Provincial Child Care Regulation, the minimum staff:child ratio for infant/ toddler care is 1:4, compared with a 1:8 ratio for group day care for older children. Thus on a per child basis, the staffing costs for infant/ toddler programs are double those of 3 - 5 year group day care programs. The reality is that, without sufficient external funding or internal subsidies, it is difficult if not impossible for infant/ toddler programs to be financially viable in BC.

Substantially raising parent fees is not an option. With infant/ toddler fees in the \$800 - 900 range in Burnaby's licensed group day care centres, few parents could afford significant fee hikes. Further, experience has shown that when care is unaffordable, parents tend to remove their children and seek less expensive unregulated options. The concern here is threefold:

- 1) Centres operate on extremely tight financial margins. If they have even a few vacant spaces - particularly over an extended period - they would lose money and risk facing closure. Closures would have an impact on the users, centre staff, and the broader community.

- 2) The potential closure of licensed group day care centres represents a challenge to the Province's efforts to promote quality child care in BC. Licensed centres provide a reasonable "comfort level" regarding quality, as they must meet minimum staffing and facility requirements set out in the Provincial Child Care Regulation. Many unregulated providers are undoubtedly skilled, conscientious, and caring. As they are not subject to Provincial inspection and regulation, however, they do not offer the same "comfort level" regarding quality as their licensed counterparts.
  
- 3) Related to the previous point, it is worth noting that regulated care consists of a) licensed child care operations, and b) license not required (LNR) child care operations (i.e., home-based operations that are registered with a Child Care Support and Referral Program in their community and care for no more than two children who are unrelated to the caregiver). Unregulated care involves all other types of care, including care by nannies, family members, and "illegal" child care programs (i.e., programs that operate without a license and care for three or more children). The particular concern is with illegal programs. Not only do they offer no quality assurance, they generally do not issue tax receipts. The operators are thus able to hide income and avoid paying their fair share of taxes. Further, any initial savings families may realize through using these programs would be at least partially offset by the fact that they may not have receipts and therefore could not claim a Child Care Expense Deduction on their Income Tax. Child Care Expense Deductions are the Federal Government's chief contribution to child care at present. Therefore, a trend towards illegal care would, in effect, help to let the Federal Government "off the hook" concerning child care.

It is important to acknowledge that the Province has made significant contributions to child care in recent years. For example, it contributed \$38.6 million to child care in its 1988-89 fiscal year. By 1998-99, it contributed \$188.5 million - a 388% increase over 10 years earlier. Further, Provincial funding for operating, capital, and associated grants, as distinct from parent subsidies, rose from \$.4 million in 1988/ 89 to \$65.2 million in 1998/ 99 - a 16,200% increase over the ten year period.

It is acknowledged that the Province is currently experiencing significant pressures to reduce expenditures and improve efficiencies. Nonetheless, it is also important to stress that child care spending can yield both social and economic benefits. As noted in the previous report, a study by University of Toronto economist, Gordon Cleveland concluded that there is a \$2 return on every \$1 invested in child care. Conversely, if quality child care spaces are lost or become too expensive, parents could seek less costly unregulated options, and social and economic "disinvestment" could occur. Further, the literature reveals that:

*Relative to children who were in low quality care, studies show that children whose preschool child care experiences were of high quality are more considerate of others, less hostile, and better able to work cooperatively in a group when in kindergarten through grade three; better able to follow multi-step directions and to work independently when in grade one; and perform better on tests to measure both understanding and use of language in grade one.<sup>1</sup>*

In short, if child care is viewed as an investment in our future, the current fragility of the child care sector cannot and should not be ignored. MCF is asking its regional offices throughout the province to prepare child care plans for their respective regions. While being a positive step, the regional plans will not be able to address the deeper structural challenges facing the child care sector unless the Province-wide issues of funding and affordability are addressed.

It is thus recommended that a comprehensive Provincial Child Care Plan be developed. Preparation of such a plan would be in keeping with the recommendations of the Province's 1991 "Showing We Care" Task Force. The plan should provide a strategic long term vision for where child care is headed in the province, and how the government, child care providers, and community can cooperate in the plan's realization. It should seek to increase the stability and reduce the uncertainty for the child care sector, addressing such matters as affordability, accessibility, quality, sustainability, and accountability. Recognizing the pressures placed on available discretionary funds, the plan should also strive to ensure that child care spending is as efficient as possible, with reallocation of resources being made as required. For example, child care advocates suggest one area that could be examined is the Province's policies regarding child care subsidies. At present, over half the subsidies are allocated to families using unregulated care - a practice that *may* support parental choice, but one that counters efforts to promote accountability and quality care.

## 5.0 CONCLUSION AND RECOMMENDATIONS

This report has provided an update on BAMH's infant/toddler child care situation. It indicated that, with emergency funding from MCF, and help from three Burnaby MLAs, the Association has agreed to continue to operate its infant/ toddler child care programs until at least 2000 March 31. While recognizing this development as good news, the report noted that significant concerns remain for the overall regulated child care sector in Burnaby and BC - particularly for infant/ toddler child care providers.

Given the foregoing, it is recommended that the Mayor, on behalf of Council, write to the Minister for Children & Families to

---

<sup>1</sup> Lynell Anderson, Rita Chudnovsky, and Paul Kershaw. *BC Child Care Funding Options Project. Background Information Package.* 1998.

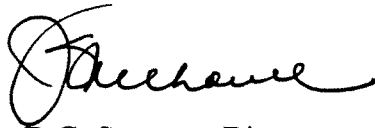


*Planning and Building*

*Re: Update on Burnaby Association For The Mentally  
Handicapped Infant/Toddler Child Care Situation  
1999 February 23 ..... Page 7*

- a) extend appreciation for the Ministry's decision to provide emergency funding to assist with the Burnaby Association for the Mentally Handicapped's infant/ toddler child care program deficit, and
- b) request that a comprehensive Provincial Child Care Plan be developed to provide increased stability and certainty to the child care sector in BC, with priority being given to infant/ toddler care.

It is further recommended that copies of this report be sent to Burnaby's four MLAs, the Regional Executive Director of the Simon Fraser Regional Office of MCF, and the Executive Director of BAMH.

  
/ D.G. Stenson, Director  
PLANNING AND BUILDING

  
JF\sa

cc: City Manager  
Director Finance  
Director Parks, Recreation & Cultural Services

