

CITY OF BURNABY

SOCIAL ISSUES COMMITTEE

**F**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**RE: CHALLENGES FACING THE CHILD CARE SECTOR**

**RECOMMENDATIONS:**

1. **THAT** Council communicate to the Premier Burnaby's strong concerns regarding the erosion of Provincial child care programs, as outlined in Section 2.0 of this report.
2. **THAT** Council communicate to the Premier Burnaby's strong support for the development of a co-ordinated and comprehensive Provincial child care plan which is based on the principles of quality, affordability and accessibility, and which is supported by adequate Provincial funding, an increased commitment of Federal Early Childhood Development (ECD) funds to child care, and new Federal funds to be made available under the recently-signed Early Learning and Child Care Agreement.
3. **THAT** copies of this report be forwarded to:
  - the Minister for Community, Aboriginal and Women's Services
  - the Minister of State for Early Childhood Development
  - the Minister of State for Women's Equality
  - the Minister of Children and Family Development
  - the Minister of Health Services
  - the Minister of Health Planning
  - the Minister of Advanced Education
  - Burnaby's four Members of the Legislative Assembly
  - Burnaby School Board.

REPORT

The Social Issues Committee, at its Open meeting held on 2003 March 26, received and adopted the *attached* report providing an overview of recent changes to Provincial funding, legislation, and policies as they relate to child care, and the implications of those changes for the child care sector.

COPY - CITY MANAGER  
- DIRECTOR PLANNING & BUILDING  
- DIRECTOR PARKS, RECREATION & CULTURAL SERVICES

The Committee advised that the already fragile and vulnerable child care sector in British Columbia has been under considerable stress for the past year due to changes in Provincial funding, legislation and policies. Many child care facilities are experiencing decreased enrollments, and being forced to raise fees. Some are ceasing operations. Qualified staff are leaving the field to pursue alternative careers at a time when training programs and centres for early childhood education have been cut-back. Low-and moderate-income parents are finding it increasingly difficult to access quality child care, as are parents of children with special needs. Changes to legislation have spawned uncertainty regarding future licensing requirements for child care facilities, and the Province's responsibility to respond to reports from child care providers about suspected abuse or neglect of children in their care. Resource and referral centres, designed to assist both parents and current and prospective child care providers with their child care concerns and information needs, will cease operating in spring 2004. Federal ECD funding previously earmarked by the Province for child care has been reallocated to other areas of early childhood development, and little is known at this time about Provincial plans for new Federal funding for child care announced in 2003 March.

Accordingly, the Committee is requesting that Council express strong concern to the Premier regarding the erosion of Provincial child care programs and urge the development of a co-ordinated and comprehensive Provincial child care plan based on the principles of quality, affordability and accessibility.

Arising from discussion, the Committee also requested that a copy of the report also be forwarded to Burnaby School Board.

Respectfully submitted,

Councillor D. Johnston,  
Chair

Councillor L. Rankin,  
Vice Chair

Councillor S. Dhaliwal  
Member

**TO:** CHAIR AND MEMBERS  
SOCIAL ISSUES COMMITTEE

March 26, 2003

**FROM:** DIRECTOR PLANNING AND BUILDING

OUR FILE: 17.315.1

**SUBJECT: CHALLENGES FACING THE CHILD CARE SECTOR**

**PURPOSE:** To provide an overview of recent changes to Provincial funding, legislation, and policies as they relate to child care, and the implications of those changes for the child care sector.

---

**RECOMMENDATIONS:**

1. **THAT** Council be requested to communicate to the Premier Burnaby's strong concerns regarding the erosion of Provincial child care programs, as outlined in Section 2.0 of this report.
2. **THAT** Council be requested to communicate to the Premier Burnaby's strong support for the development of a co-ordinated and comprehensive Provincial child care plan which is based on the principles of quality, affordability and accessibility, and which is supported by adequate Provincial funding, an increased commitment of Federal Early Childhood Development (ECD) funds to child care, and new Federal funds to be made available under the recently-signed Early Learning and Child Care Agreement.
3. **THAT** copies of this report be forwarded to:
  - the Minister for Community, Aboriginal and Women's Services
  - the Minister of State for Early Childhood Development
  - the Minister of State for Women's Equality
  - the Minister of Children and Family Development
  - the Minister of Health Services
  - the Minister of Health Planning
  - the Minister of Advanced Education
  - Burnaby's four Members of the Legislative Assembly.

**REPORT**

**1.0 BACKGROUND**

76

At its meeting of 2002 September 16, Council considered a staff report which provided an overview of the Provincial Core Services Review and its impacts for Burnaby. The report

was referred on to the then Community Issues & Social Planning Committee (recently renamed the Social Issues Committee), which considered it at its meeting of 2002 September 25. The report examined proposed changes in twenty-one Provincial ministries which were likely to affect eight broad service areas ranging from education and community/human services to health and transportation. The report also provided preliminary information on anticipated impacts of the changes for organizations, institutions and citizens in Burnaby, and noted the importance of continuing to monitor the situation.

Many of the changes and anticipated impacts identified in the report related to the field of child care. Given the fragility of child care infrastructure in British Columbia, the Committee's and Council's historical interest in child care issues<sup>1</sup>, the serious consequences changes made in 2002 have begun to generate, and concerns regarding changes scheduled to take effect on 2003 April 1, it is considered timely to provide the Committee and Council with a broad overview of challenges which both child care operators and parents are facing.

## **2.0 CHALLENGES FACING THE CHILD CARE SECTOR**

### **2.1 Changes to Funding Programs**

#### **2.1.1 Child Care Subsidy**

The Child Care Subsidy Program provides a monthly grant, sent directly to the child care provider, to help low-income parents meet the costs of child care. Subsidies range from \$73.50 to \$585 per month per child, depending on family income, the type of care, and the age of the child. According to the Province, the majority of child care subsidy recipients are female single parents.

In 2002 April, financial eligibility criteria for the child care subsidy were tightened. The income threshold for eligibility was lowered by \$285 per month, and parents experiencing short-term family crises were disqualified. According to child care advocates, these changes meant that about 10,500 families in B.C. either no longer qualified or had their subsidy levels reduced, resulting in a Provincial budget saving of \$26 million.

The Province recently announced an infusion of \$10 million into the child care subsidy program, effective 2003 May 1. This \$10 million will raise the income

---

<sup>1</sup> Over the past ten or so years, Burnaby City Council has made several requests to senior governments for the introduction of a national child care program, a comprehensive Provincial child care plan, and other improvements to the child care system.

threshold for eligibility by \$100 per month. According to the Province, with the change, an additional 3,000 children will be eligible for subsidy, and 6,000 will be eligible for higher subsidy. Nevertheless, the income threshold for eligibility remains \$185 per month below March 2002 levels, while the Provincial budget for the program is \$16 million below March 2002 levels. As an alternative for former subsidy recipients, the Province is encouraging the establishment of small license-not-required (LNR)<sup>2</sup> centres around the province. Child care advocates caution that non-licensed care provides no guarantee of standards for safety, quality of care, group size, adult/child ratios, or caregiver credentials.

### 2.1.2 New Child Care Operating Funding Program

Effective 2003 April 1, the Child Care Operating Funding Program will replace three former Provincial funding programs, including the Infant/Toddler Incentive Grant, the Compensation Contribution Program, and the Funding Assistance Program. The Operating Funding Program will assist eligible licensed group and family child care providers with the cost of providing care.<sup>3</sup> Grant levels for each centre will be determined by enrollment and type of care offered. In that approximately 1,400 child care centres previously not eligible for Provincial grants will be eligible for the operating funding<sup>4</sup>, the Province expects the number of government-supported child care spaces in B.C. to increase by over 50% (from 45,000 to 70,000). The Provincial budget for the new Operating Funding Program for 2003-2004 is \$48 million.

Child care advocates have articulated a number of concerns with the new program. First, the budget of \$48 million is \$14.5 million less than was provided under the three previously funded programs. Therefore, although new child care spaces may be created, the Operating Funding Program will provide less funding per space. According to advocates, this will affect lower-income parents particularly, as spaces

---

<sup>2</sup> License-not-required (LNR) facilities are small child care centres operated out of a caregiver's home, and offer care for no more than two children unrelated to the caregiver. These facilities do not require licensing under the Community Care and Assisted Living Act.

<sup>3</sup> Licensed family child care programs provide care for up to seven children, including those of the caregiver, in the caregiver's home. Licensed group child care programs provide care for more than seven children in a non-residential setting. Funding under the new program is available for all licensed care types, with the exception of child minding, child care at ski hills and resorts, and residential care. LNR centres are not eligible for the operating funding.

<sup>4</sup> Licensed family child care providers were previously not eligible for grants.

will become less affordable. Second, because the new grants will be based on enrollment, child care advocates express concern that child care programs in less affluent areas - which are experiencing vacancies as parents are obliged to find less formal (and more affordable) child care - will suffer. Third, there is no indication that operating funding is tied to standards of quality for care, affordable parent fees, or adequate caregiver compensation or credentials.

### **2.1.3 Supported Child Care**

The Supported Child Care Program finances the extra supports - such as equipment, extra staff and staff training - which children with special needs require to participate in pre-school and child care programs. Under the program, parents of children with mental or physical disabilities are eligible for a maximum payment of \$107 per month. In spring 2002, supported child care funding was frozen. Families receiving support before the freeze continue to receive support, but no new applicants are being accepted. As a result, child care centres are unable to accommodate new special needs applicants, which has resulted in inequity of treatment for special needs children. Though details are not available at this time, child care advocates fear that budget cuts of approximately 30% for supported child care are pending.

## **2.2 Termination of Provincial Funding to Child Care Resource and Referral Centres**

The Province has announced that, effective 2004 March 31, funding to British Columbia's network of child care resource and referral centres will be terminated. The centres provide information and support services to current and prospective child care providers, to parents and to the general public. The discontinuation of funding means that services currently provided by the eleven year old Burnaby-New Westminster Child Care Resource and Referral Centre (BNWCCRR) will likely no longer be available. BNWCCRR's services to child care providers include education and training workshops, group insurance, registration for LNR operations, and support to prospective providers in setting up a new child care facility. The centre also provides parents with information on available child care spaces in Burnaby. A range of province-wide services provided by Westcoast Child Care Resource Centre in Vancouver will also be affected. Those services include a lending library, multicultural and diversity services, and Child Care INFORM, which is an administrative and financial management support service designed to assist child care staff and board members with managing a licensed non-profit child care facility. BNWCCRR, Westcoast and other child care resource and referral centres are examining ways to sustain some of their services once funding ceases. While fees for service may be implemented to continue some of the services, the lack of future funding for staffing and administration means many of the

services will no longer be available. As an alternative to services currently provided to parents by the resource and referral centres, the Province has committed to providing information about licensed care facilities on-line. This strategy will not assist parents to find LNR centres, however, and does not take into account the lack of computer access experienced by many low- and moderate-income parents, and difficulties faced by non-English-speaking parents.

### **2.3 Closure of Early Childhood Education Training Programs and Centres**

Provincial cuts to training programs and centres for early childhood education have resulted in faculty reductions at some of the colleges offering diplomas and certificates in early childhood education, and in the suspension of programs in some institutions and reductions in course offerings in others. There are fears that these cuts will have negative consequences for those wishing to access early childhood education, and for future recruitment of qualified child care staff.

### **2.4 Changes to Legislation**

#### **2.4.1 New Community Care and Assisted Living Act**

Licensed child care centres in British Columbia are governed by Provincial community care facilities legislation. A key benefit of licensing under such legislation is the monitoring and accountability framework which ensures that facilities meet specified standards. The new Provincial Community Care and Assisted Living Act, which was the subject of a report to the Committee and Council in 2003 January, provides the general parameters for community care facilities licensing. The new Act includes some positive changes (e.g., expanded decision-making authority for medical health officers, 19 year age minimum for facility licensees or managers, and an increase in maximum fines for contravention of the Act or its regulations). However, the Child Care Licensing Regulations which will accompany the Act and which will detail specific facility requirements, are not expected to be released until autumn 2003. Until then, uncertainty about which types of facilities will be precluded from the Act and about the future quality of child care services has been cited as an issue by many in the child care sector.

#### **2.4.2 Amendments to Child, Family and Community Service Act**

In 2002 June, several amendments were made to the Child Family and Community Service Act which governs child protection activities in British Columbia. A major theme underlying the amendments is parental responsibility for protecting a child.

As a result of the amendments, the Ministry of Children and Family Development is no longer required to respond to calls of child abuse, neglect or exploitation where the abuser or exploiter is known to be someone other than the child's parents. Obviously, it can be difficult for caregivers in the child care sector to identify the source of abuse of children in their care. Although some child care operators have been informed by MCFD staff that they should continue to report any suspected abuse or neglect of children in their care, uncertainty lingers among child care providers regarding the type of response which can be expected from MCFD when a report is made.

## **2.5 Change in Provincial Targeting of Federal Early Childhood Development (ECD) Funds**

Those in the child care sector are attempting to cope not only with current reductions in funding to both facilities and parents, but also with changes to expected future funding. In recent years, the Federal Government has become increasingly active in funding initiatives related to child care and early childhood education. In autumn 2000, the Federal Government signed Early Childhood Development (ECD) Agreements with all provinces and territories except Quebec. The agreements guaranteed Federal funding for a five year period, provided that it was used for programs and services which focus on any or all of the following:

- healthy pregnancy, birth and infancy
- parenting and family supports
- early childhood development, learning and care
- community supports.

The total Federal ECD funding commitment over the five year period is \$23.4 billion, of which \$291.4 million is to be allocated to British Columbia as follows:

- \$39.7 million in 2001-02
- \$52.9 million in 2002-03
- \$66.1 million in 2003-04
- \$66.1 million in 2004-05
- \$66.6 million in 2005-06.

The previous Provincial Government committed to dedicating two-thirds of the funds (or about \$26 million in the first year) to child care. The current administration, however, has



indicated other priorities for its ECD spending.<sup>5</sup> In 2002 November, the Province reported out on its expenditure of the \$39.7 million allocated for 2001-02. \$33.6 million has been accounted for<sup>6</sup>, of which \$6 million - or 18% - was spent on child care. This \$20 million reduction in the expected infusion of funds into the child care sector in 2001-02 has distressed child care advocates, who continue to urge the Province to target higher levels of the ECD funds to child care. Information regarding the Province's use of the \$52.9 million received from the Federal Government in 2002-03 is not yet available.

## 2.6 Early Implications of the Changes

Although it is too early to assess the ramifications of changes in the child care sector in a comprehensive way, some information from an autumn 2002 survey conducted by the Child Care Advocacy Forum is available. The Forum, a coalition of organizations involved in child care and early childhood education, asked child care providers from around the province to provide information on changes to enrollment, participation rates of subsidized children, fees, operating hours, and staff wages since 2002 April. Responses from caregivers in over 700 centres suggest that in response to the funding changes in the past year, child care centres across British Columbia have reduced hours of service, increased part-time enrollments, increased fees, reduced staffing levels, reduced wages, and increased support to low-income parents through fundraising activities, bursaries and food supplements. Of those caregivers who responded:

- 57% have fewer subsidized children in their programs. Low and moderate income families are being forced to withdraw their children from licensed and regulated care, in favour of more affordable unlicensed care or no care at all.
- 49% have experienced decreased enrollment and 42% have reduced waitlists
- 31% have increased their fees
- 19% fear that they may be forced to cease operation in the near future, while 52% are concerned about their future viability
- even before expiration of the Munroe Agreement (discussed in Section 3.0 below), 13% of licensed caregivers and 23% of LNR caregivers report wage reductions.

---

<sup>5</sup> The agreements articulated few guiding principles as to how priorities are to be determined or which services legitimately fall within the designated areas of action.

<sup>6</sup> The entire allocation was not spent due to transitions related to the change in government in 2001.

### 3.0 COMPOUNDING FACTORS

The upheaval and uncertainty spawned by the funding reductions and legislative changes outlined above are being aggravated by a number of additional factors, some of which affect centres directly, and some of which affect parents directly.

First, the so-called Munroe Agreement, which was signed in 1999 between the Province and employers in the community services field after a 14 week strike by community service workers, will expire on 2003 March 31. Under the Agreement, unionized child care providers in British Columbia, like other community service workers, were provided with a wage top-up valued at \$10 million over five years. No alternative funding mechanism for the wage top-up has been identified. With the expiration of the agreement and the removal of the top-up, the workers are faced with salary reductions effective 2003 April 1. Any attempt on the part of child care centres to make up the wage short-fall through increased fees could aggravate affordability problems already exacerbated by the funding reductions outlined above. Consequently, some centres who cannot raise fees are experiencing a loss of qualified staff, who have decided to pursue alternative careers, and are reporting difficulties attracting qualified replacement staff.

Second, new criteria for access to gaming funds, being introduced 2003 April 1, may disqualify some non-profit societies or organizations from receiving gaming revenue, or reduce the levels they are eligible to receive. This potential loss of funds, in conjunction with reduced funding as outlined above, may threaten the viability of non-profit societies and/or some of their child care services.

Third, reductions in and tighter eligibility criteria for social assistance and disability benefits, and tuition fee increases mean that many low-income parents have less income and thus reduced access to quality child care.

Fourth, responsibility for various aspects of child care policy, funding and legislation is shared across at least six Provincial ministries and eight Provincial ministers. Funding for supported child care is administered by the Ministry of Children and Family Development, which is also responsible for responding to reports of child abuse, neglect and exploitation. At present, the Child Care Subsidy is administered by the Ministry of Human Resources, although the recent Provincial budget indicated that the program will be transferred to the Ministry of Community, Aboriginal and Women's Services. This latter Ministry currently administers funding for the child care resource and referral centres, and will administer the new Child Care Operating Funding Program. The Minister of State for Early Childhood Development is responsible for a Provincial early childhood development plan, while the Ministry of Health Services and the Ministry of Health Planning are involved in developing the Child Care Licensing Regulations. The Ministry of Advanced Education is responsible for post-secondary education and thus the training of early childhood educators. The Minister of State for Women's Equality is responsible for assisting women to achieve social

and economic equality, one component of which is access to affordable and quality child care. This jurisdictional balancing act renders co-ordinated action on child care challenging, and creates confusion for child care operators and parents trying to navigate through policies, regulations, and funding opportunities.

#### 4.0 A POSSIBLE MITIGATING FACTOR

On 2003 March 13, the Federal Government reached an Early Learning and Child Care Agreement with all the provinces and territories except Quebec. The agreement provides a framework for improving access to affordable, quality and regulated early learning and child care programs and services for children aged six years and under. Through the agreement, a total of \$900 million will be made available to the provinces and territories over the next five years, beginning in 2003-04. At this point, information regarding British Columbia's allocation under the agreement or the Provincial government's plans for the funding is not available. Nevertheless, this infusion of Federal funds may help to mitigate some of the disruption and hardship currently being experienced in the child care sector. While acknowledging the importance of a Federal role in developing a national child care strategy, child care advocates have advanced several concerns with the new agreement as follows:

- total funds do not come close to meeting the need. It has been estimated that \$10.9 billion is required to develop a national child care program.
- funding for school-aged care is not included in the agreement
- only \$100 million of the total \$900 million will be spent in the first two years, and only \$25 million in 2003-04.

#### 5.0 SUMMARY AND CONCLUSIONS

The already fragile and vulnerable child care sector in British Columbia has been under considerable stress for the past year due to changes in Provincial funding, legislation and policies. In fact, based on responses to the Child Care Advocacy Forum's child care provider survey, it would seem that not only is the child care system in British Columbia not flourishing - it is crumbling. Many child care centres are experiencing decreased enrollments, and being forced to raise fees. Some are ceasing operations. Qualified staff are leaving the field to pursue alternative careers at a time when training programs and centres for early childhood education have been cut-back. Low- and moderate-income parents are finding it increasingly difficult to access quality child care, as are parents of children with special needs. Changes to legislation have spawned uncertainty regarding future licensing requirements for child care facilities, and the Province's responsibility to respond to reports from child care providers about suspected abuse or neglect of children in their care. Resource and referral centres, designed to assist both parents and current and prospective child care providers with their child care concerns and information needs, will cease operating in spring 2004. Federal ECD funding previously earmarked by the Province for child care has been reallocated to other areas of early childhood development, and little is


known at this time about Provincial plans for new Federal funding for child care announced in 2003 March.

To draw attention to and engage the public in discussion about the situation in the child care sector, the Coalition of Child Care Advocates has proclaimed 2003 March 31 - the final day of current Provincial funding programs and of the Munroe Agreement - as a Provincial *Day of Mourning for Child Care*. At the same time, advocates continue to urge the Provincial Government to stop further cuts to child care, to restore child care funding eliminated since April 2002, to develop and adequately fund a five year plan which entitles all children access to quality regulated child care, and to dedicate the new Federal funding to quality, regulated child care.

Given the foregoing concerns, it is recommended that:

1. Council be requested to communicate to the Premier Burnaby's strong concerns regarding the erosion of Provincial child care programs, as outlined in Section 2.0 of this report.
2. Council be requested to communicate to the Premier Burnaby's strong support for the development of a co-ordinated and comprehensive Provincial child care plan which is based on the principles of quality, affordability and accessibility, and which is supported by adequate Provincial funds, an increased commitment of Federal ECD funds to child care, and new Federal funds to be made available under the recently-signed Early Learning and Child Care Agreement.
3. Copies of this report be forwarded to:
  - the Minister for Community, Aboriginal and Women's Services
  - the Minister of State for Early Childhood Development
  - the Minister of State for Women's Equality
  - the Minister of Children and Family Development
  - the Minister of Health Services
  - the Minister of Health Planning
  - the Minister of Advanced Education
  - Burnaby's four Members of the Legislative Assembly.

Staff, in conjunction with the Child Care Resources Group, will continue to monitor the impact of changes in the child care sector, and keep the Committee and Council apprised as appropriate.

  
for J.S. Belhouse, Director  
PLANNING AND BUILDING