



CITY OF RICHMOND

REPORT TO COMMITTEE

TO: Planning Committee

DATE: February 7, 2000

FROM: Terry Crowe
Manager, Land Use

FILE: 3070-00

RE: Provincial Discussion Paper on Child Care

STAFF RECOMMENDATION

That the City of Richmond respond to the province's request for comments on the child care discussion paper, *Building a Better Future for British Columbia's Kids*, (Fall 1999), as follows:

1. That the province be commended for initiating discussion on child care options. A copy of the Richmond Child Care Development Board Community Consultation (*Child Care Think Tank*, November 5, 1999) outlining the problems facing Richmond parents and operators should be attached.
2. That the proposed short term actions should be undertaken as quickly as possible. These should:
 - be implemented in a way that balances parent subsidy and operator funding so as not to result in higher fees or a destabilized system
 - be implemented, to as great an extent as possible, regardless of federal actions
3. Recognizing that:
 - the actions above should be considered interim measures to address the most immediate problems
 - more comprehensive and far reaching changes need to be made in the system
 - these changes will involve major interministerial policy, mandate and funding changes

The province should also be encouraged to begin working toward a more effective approach to child care in the longer term. This should include serious consideration of core funding to replace current programs and incorporation of dedicated child care space at school sites.

Terry Crowe
Manager, Land Use

Att. 1

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CONCURRENCE OF GENERAL MANAGER

STAFF REPORT

ORIGIN

In October 1999, the Ministry of Social Development and Economic Security distributed a discussion paper entitled *Building a Better Future for British Columbia's Kids*. Staff circulated copies to Mayor and Councillors in December 1999. A copy is attached (**Attachment A**).

The paper outlines a number of possible short and long term strategies to expand and support child care services across the province.

The Ministry has invited comment on these proposals. The Ministry has indicated that, based on the feedback they receive, they will determine their next steps on the child care issue.

Besides staff's analysis of the paper, this report includes a review of the document and recommendations from the Child Care Development Board (**Attachment B**). As well, an information report is concurrently coming to Council with the results of a community consultation held in November 1999 by the Child Care Development Board to identify the critical child care issues in Richmond today.

The City's interest in commenting on this provincial discussion paper is to:

- analyze these proposals to determine the extent to which they would address the child care issues and concerns faced by Richmond parents and operators, as identified in the recent Child Care Think Tank held in November 1999
- encourage the province to take those actions that would best address the child care issues and problems in Richmond
- determine what, if any, City participation may be expected in the proposals

ANALYSIS

First, the province is to be commended for its focus on the challenges parents face in finding and affording the child care they need. The discussion paper reviews these issues. It also outlines the current systems supporting the care of BC children and proposes several options for the future.

The specific proposals for action fall into two main categories:

1. Short term options - Improving the current system
2. Longer term proposals- Looking towards the future

1. Short Term Options:

The short term proposals focus primarily on **increasing funding to current provincial programs**. This includes expanded funding to:

- reduce the direct cost of child care for low and modest income parents through expanded subsidy programs
- increase grant funding to child care operators
- extend the Child Care Resource and Referral program to communities that do not have it
- put additional funds toward the Young Parents program

Finally, there is a proposal to provide new spaces by **buying and refitting 500 surplus portables on school sites**.

If all these options were implemented, they would cost a total of \$122.6 million per year, plus an additional \$27 million over four years to buy and refit the portables. This would almost double the \$188 million that the province currently spends on child care. (BC parents spend \$1.35 billion on child care annually.)

2. Longer Term Proposals

In this series of proposals, the paper outlines a very general vision for the future - a child care system that is high quality, integrated, affordable, accessible, and community based. To reach these goals it calls for:

- business and labour to create family friendly workplaces
- the federal government to improve maternity and parental benefits
- the federal government, municipalities, school boards, health boards and others to join the province to create school-based, one-stop access centres for children and family services. These "could include child care for school-aged and pre-school children".

A. Staff Analysis of the Discussion Paper Proposals

Attachment C analyzes these proposals in detail, and in relation to the problems faced by Richmond parents and operators, as identified in the recent Child Care Think Tank held in November 1999.

The analysis suggests that:

1. Re: Short Term Solutions

While there are concerns about the impact and efficiency of the short term actions, it is clear that these would begin to address some the issues identified in Richmond in the Think Tank. These actions would confirm provincial commitment and bring additional funds to child care programs right now. While some advocates have pointed out problems with administering the current programs and support instead a core funding approach, the short term actions identified in the discussion paper are probably the most:

- expedient
- easy to implement and
- politically and financially feasible ways of achieving some immediate gains.

In implementing these actions, care should be taken so that new funding to fee subsidies is balanced by operator grants, so that increased funding does not have the unintended consequence of destabilizing the system.

2. Re: Longer Term Solutions

The provincial action outlined in the paper is a proposal around school based child care space. This would be an important step toward addressing one of the fundamental issues in child care – the shortage of secure, low/no cost space.

However space is only one of the problems facing this sector; affordability and stability of the system have to be addressed as well. An effective, long term solution must also include a funding redirection to address these issues. The best way to achieve this would be to introduce core funding (i.e. guaranteed operating funding that would subsidize and stabilize the system). Not all of this would be new funding because core funding would replace the current grant programs.

Together, an adequate level of core funding plus provision of space at school sites would offer a comprehensive future solution. The province should begin consideration of the major changes that will be necessary to achieve this goal. This would include:

- initiating work with the Ministry of Education, the School districts and boards and municipalities, to explore the option of incorporating dedicated child care space on school sites. This could be done by including it in all new school construction and using portables to introduce it onto existing sites where possible. As noted in the analysis attached, this will entail serious interministerial policy, mandate and funding changes.
- serious consideration of core funding to replace expanded programs, especially if there is a generous federal commitment of funds to children.

B. Analysis and Recommendations from the Child Care Development Board

The Child Care Development Board, in their capacity as advisory committee to Council on child care, have reviewed the discussion paper and prepared an information paper to Council (**see Attachment B**).

The conclusion from this paper is that “since:

- the City of Richmond has already committed itself to a Child Care Policy in which it acknowledges that child care is an essential service in the community and commits itself to being an active partner with senior levels of government, parents, the private sector and the community in the development and maintenance of a comprehensive child care system in Richmond,
- families in Richmond, and most other communities in BC, are still experiencing significant barriers to finding quality, affordable, accessible child care,
- while increases to subsidy and other measures mentioned in the *Building a Better Future for BC's Kids* paper will bring immediate relief to some, it will continue the fragmentation of child care and do little to resolve the major issue of affordability,

Therefore the City should call on the provincial government to develop and implement a plan that moves child care from the current user fee system to one that, like education, is publicly funded.”

C. Options for Comment/Recommendations from the City:

1. Recommend that the short term options be implemented.

These are the easiest, least costly and most immediately effective actions to take. While they would only be a modest improvement, they would serve to secure the commitment of additional funds to child care.

2. Recommend that a long term option of school based child care plus core funding, as outlined in the staff analysis above, be implemented.

This strategy would have a much more effective impact on the problems facing the child care sector. However it would also be considerably more expensive and involve substantial and complex interministerial change. Most significantly, it would take longer to achieve – a consideration at this stage of the provincial government's term.

3. Recommend that both the above options, short and long term, be implemented, the first immediately, the second over the time necessary to consider and accomplish such fundamental changes.

This combination would offer the best of both options. It would gain immediate improvement in programs but would also gain commitment to begin a fundamental, long term redirection.

4. Recommend that a publicly funded system, as recommended by the CCDB (Attachment B), be implemented.

Clearly a fully publicly funded child care system would be the best solution to the problems facing the child care sector. This is the direction advocated by most of the child care groups in the province. It will take a considerable commitment from the provincial government.

FINANCIAL IMPACT

The financial impact of the options outlined in the paper is difficult to determine since no funding sources have been identified for the various programs. However the analysis in **Attachment C** suggests that the short term actions proposed have no financial implications for the City, since the City does not provide any of the affected services.

The longer term proposal to locate children and family services at or near neighbourhood schools might have future implications for municipalities. This direction could conceivably involve requests to locate portables retrofitted for child care, on the City park site area of a joint park/school site. Any such request would have to be carefully considered by the City, with decisions made as to:

- whether this would be an appropriate use of the site
- how the costs of landscaping, maintenance, heat and light would be addressed

Thus, should any provincial action be taken on this proposal, policy decisions about whether the City would want to participate, may arise. These would need to be based on the cost implications as well as site use priorities.

CONCLUSION

Staff analysis suggests that Option 3 above would be the most effective and politically and economically feasible way to improve child care in the province.

The following comments should therefore be sent to the province from the City:

- The proposed actions to improve the current system in the short term should be undertaken as quickly as possible. These should be seen as interim measures which would address some of the most immediate concerns of Richmond parents and operators. These should:
 - be implemented in a way that balances parent subsidy and operator funding so as not to result in higher fees or a destabilized system
 - be implemented, to as great an extent as possible, regardless of federal actions
- Recognizing that:
 - the actions above are only a short term solution
 - more comprehensive and far reaching changes need to be made in the system
 - these changes will involve major interministerial policy, mandate and funding changes

Therefore the province should be encouraged to begin working toward a more effective approach to child care. This should include serious consideration of core funding to replace current programs and incorporation of dedicated child care space at school sites.

Carolyn Morrison
Social & Community Planner

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Richmond Child Care Development Board

Response to "Building a Better Future for British Columbia's Kids"

Discussion Paper

The Richmond Child Care Development Board welcomes the opportunity to present to Richmond City Council its response to the recent discussion paper released by the Province of British Columbia. It is our hope that our response will inform City Council and provide you with information you may use in your response to the provincial government.

Richmond and Child Care

The City of Richmond is to be commended on its Child Care Policy in which it acknowledges that child care is an essential service in the community and commits itself to being an active partner with senior levels of government, parents, the private sector, and the community in the development and maintenance of a comprehensive child care system in Richmond.

While the City has worked hard to open four new child care centres and has continued communication and dialogue with the child care community, their efforts do not go far enough in addressing the needs of families in Richmond. At a recent "Child Care Think Tank" hosted by the Richmond Child Care Development Board participants consistently identified three major child care challenges in Richmond

- ❖ Lack of affordable child care choices
- ❖ Lack of flexible part time care options
- ❖ Lack of programs for infant, toddler, kindercare and school age groups.

These challenges are not unique to Richmond.

The Discussion Paper – "Building A Better Future for British Columbia's Kids"

Minister Moe Sihota released this Discussion Paper in the Fall of 1999. Despite the Provincial Governments substantial support for child care over the years the paper paints a troubling picture of child care in the Province. The Minister asked for the community to review the options set out in the paper and respond.

On January 10th, 2000 the Ministry of Social Development and Economic Security released an Interim Report on the responses received to date. As of January 4th, 2000, 7200 responses had been received from 170 communities across B.C.

The vast majority of respondents call on the provincial government to create a publicly funded child care system that ensures all families – regardless of their economic or employment status – have access to good quality, affordable child care. (Page 2, Interim Report)

Although this is a strong and widely held message which seems to have been heard by government, it is around the immediate actions that there are still challenges. While immediate action to make child care more affordable and accessible will be welcomed by many and will make a difference to some, they are only stop-gap measures.

There are two main options which still appear to be favoured by the Ministry. The first is to increase subsidy and the second is to increase child care spaces on school sites.

Subsidy

Subsidy rates in B.C. have not been raised for over 5 years – the longest period without an increase in two decades. Low income parents cannot afford to pay the difference and child care programs cannot sustain quality programs. In this context, increases to subsidy seem a likely choice.

However, increases to subsidy rates on their own will not solve the problem for two main reasons:

1. Increasing subsidy will make no difference to the majority of parents and will be of limited help to low income parents.
2. The subsidy system assumes that there are sufficient quality child care spaces from which families can choose options which best fit their needs. We know that this is not the case. Additionally, without operating funds to sustain the range of quality options families need, closures of programs will continue.

Increase Child Care on School Sites

There is a definite need for more licensed child care spaces and a growing need for care for children of school-age. School sites would be ideal for many families in terms of location and there is the added cost benefit of using existing publicly owned facilities.

However, simply creating new child care spaces, on school property or not, will not solve the problem because without a commitment to on-going operating funds, new spaces will be no more affordable, stable or financially viable than those which already exist.

In addition, without a plan to develop an infrastructure for child care services that can provide stable and effective management and administration, there are likely to be few operators willing to take on the operation of the proposed 10,000 new spaces on school sites.

It concerns us that there was obviously little discussion and coordination between the Ministry for Social and Economic Development and the Ministry of Education regarding this "option". It is also a mystery to us why portables are seen as unacceptable for school age children but are seen as a "boon" for child care. Even if portables were made available for child care spaces, the capital costs of relocating them and adapting them to meet child care licensing requirements would be prohibitive for most operators.

Our Conclusion

Child Care is in crisis. While there is no doubt that immediate, short-term actions are needed, to be effective they must form part of a multi-year plan to build a strong and viable system. Simply putting more money into the current fragmented non-system is short-sighted and any relief it brings will be short-lived.

We urge you, Richmond City Council, to stand firm on your commitment to being an active partner with senior levels of government, parents, the private sector, and the community in the development and maintenance of a comprehensive child care system in Richmond.

We recommend that you send a formal response to the Province on the Discussion Paper and that you press the provincial government to immediately implement a plan that moves child care from the current user fee system to one, that like education, is publicly funded.

STAFF ANALYSIS OF THE PROVINCIAL PAPER

1. Short Term Options:

The short term proposals focus primarily on **increasing funding to current provincial programs**. This includes expanded funding to:

- reduce the direct cost of child care for low and modest income parents by expanding the existing subsidy program
- increase existing grant funding to child care operators
- extend the Child Care Resource and Referral program to communities that do not have it
- put additional funds toward the Young Parents program

Finally, there is a proposal to provide new spaces by **buying and refitting 500 surplus portables on school sites**.

The provincial government is to be commended for initiating discussion around increased funding to these programs. However there are some concerns:

1.1 Provincial action appears to be contingent on federal action.

The paper notes that the province is currently spending \$188 million per year on child care. It identifies a range of different options to expand existing programs. However it is clearly noted in presentation material accompanying the paper that these actions will be contingent on federal funding. Final costs are to be determined by public feedback and **the availability of federal funds***. The presentation material states that the provincial government is ready to move "if the federal government is serious about bringing in a children's agenda next spring".

It would be worthwhile to encourage the province to expand its commitment to the child care system regardless of federal actions.

**Currently federal financial support to child care is delivered through the following programs:*

- *Maternity and Parental Benefits (Employment Insurance)*
- *Child Care Deduction (Income Tax System)*
- *Aboriginal Child Care (Indian and Northern Affairs)*
- *First Nations and Inuit Child Care (Human Resources Development Canada)*
- *Child Care Tax Benefit (Income Tax System)*
- *Equivalent to Spouse Credit (Income Tax System)*
- *Aboriginal Head Start Program (Health Canada)*

Through the Canada Health and Social Transfer (CHST), the federal government transfers block funding to assist provinces with the cost of health, post secondary education and social services. In 1997/98, it was estimated that \$201 million of the CHST was spent on child care in Canada. Since the early 90's, the value of transfer payments for social programs in BC has been declining.

1.2 The proposed actions will have different impacts implemented as a package rather than funding only one or some proposals.

Because the commitment to funding any or all of the proposed short term actions is unclear, it is difficult to know whether the province wants comments on these actions as a package, or needs to have them prioritized, should there not be enough dollars for them all. As a package it appears they would have a balanced effect; if only some were implemented, the impact may be quite different. For example, if the only action taken was to raise fee subsidies with no concurrent funding increases to child care providers, this would likely result in higher fees, as operators try to make their operations more economically stable and pay better wages to keep employees in the field. This would negate any effect for low income parents, and would put non subsidized parents (the majority) in a worse position .

It would therefore be prudent to recommend that the province either initiate these actions as a package, or carefully assess the overall affect of any actions taken alone.

1.3 These proposed provincial actions are based on a subsidy program rather than a long term commitment to core funding.

The proposals are clearly based on better funding for existing grant and subsidy programs. Many child care advocates have taken the position that, rather than tinkering with existing programs, the government should consider a fundamentally different approach to public investment in child care services. They advocate a system of core funding to replace the current system of grants and subsidies. Core funding is operating funding to help subsidize and stabilize the system. It recognizes that parent fees alone cannot support a child care system and would augment parent fees. An adequate level of core funding would:

- help stabilize the child care system, which is currently very fragile.
- address the criticism that the existing program delivery system is inefficient, difficult to access and may be overwhelmed by having to administer any additional funding.
- relieve the uncertainty of whether the grants and subsidies will be ongoing from one year to the next. (As an example, the Wage Supplement Initiative, the precursor to the current Compensation Contribution Program to which additional funding is proposed, was established in 1993/94. In October 1995 the province froze the waitlist for this program, so that no new applications were waitlisted. However there was no public announcement of this freeze until April 1997. Over the years there was considerable confusion about the program. The uncertainty of the funding made local level planning difficult. As well because it was available to some centres and not others, serious wage inequalities were created within and among child care operators.)

Finally, many child care advocates are recommending that the province, along with the federal government, should go beyond core funding to a fully publicly funded system that entitles all children access to quality early childhood services. They point to Quebec's landmark family policy, which will provide, by the year 2002, a regulated, non-profit child care space for every child under the age of five at minimal cost to parents. While a publicly provided system would clearly be the best solution to BC's current child care problems, it would take considerable public dollars and political will.

From a pragmatic view, the less ambitious short term program improvements proposed by the province could provide an immediate, realistic, politically and economically feasible first step. More ambitious redirection to core funding or a publicly provided system is likely contingent on the level of Federal participation and dollars.

1.4 The suggestion regarding the buying and retrofitting of 500 surplus portables on school sites is bound to be very controversial.

It clearly contradicts the Ministry of Education's goal of eliminating portables from school sites. School districts and boards were not consulted before this recommendation was included in the paper.

However this action has potential to address the shortage of dedicated space for child care. While not a perfect solution, it could, in conjunction with a long term proposal below, contribute to a broader solution. See discussion below.

2. Longer Term Proposals – Looking to the Future

In this series of proposals, the paper outlines a very general vision for the future - a child care system that is high quality, integrated, affordable, accessible, and community based. To reach these goals it calls for:

- business and labour to create family friendly workplaces
- the federal government to improve maternity and parental benefits
- the federal government, municipalities, school boards, health boards and others to join the province to create school-based one-stop access centres for children and family services. These **“could include child care** for school-aged and pre-school children”.

The first two actions will make it easier for parents to balance their family obligations and work. Indeed the recent Throne Speech indicated that the surplus in the employment Insurance Fund should be used in part to improve maternal and parental benefits.

The final proposal, **providing it did include the provision of comprehensive child care at school sites**, is one that has a great potential for changing the face of child care in BC. In terms of location and logistics for parents, the neighbourhood school is an optimal place for provision of care for pre-schoolers as well as out-of-school and kindercare. As noted in the report, taxpayers have already spent many millions of dollars on capital investments for school sites and school facilities. Fuller utilization of these sites for early childhood education and care could be a highly cost effective way of providing these services.

However to require school sites to provide dedicated space for child care would be a major policy change for the Ministry of Education with considerable jurisdictional, policy and financial implications. (Currently some schools do provide space for child care programs, but this is up to the individual principal and program space in school settings is not secure. An example of this is the Anderson School kindercare program which was cancelled last fall when the space was needed for other uses.)

As well as having major policy implications, this redirection would undoubtedly have some practical difficulties. It may be difficult to accomplish at some locations, given the size of the site and the outdoor space requirements for each pupil at the school. Nonetheless this direction could be broadly implemented with a program of including dedicated space for child care in all new schools, in conjunction with the short term proposal of buying and refitting surplus portables, noted earlier, where practical.

To guarantee dedicated child care space in school sites, at little or no cost, could be a key initiative to ensuring the stable, affordable, accessible child care system outlined in the province's vision. While it would require significant realignment of ministry funding and responsibilities, its exploration should be strongly encouraged.

Applicability of the provincial proposals to Richmond's Needs:

The short term proposals made in the discussion paper would begin to immediately address the issues in Richmond as identified in the recent Child Care Think Tank – the difficulty for operators to provide quality programs at an affordable cost to parents; the fragility of the system due to lack of secure spaces and low wages; the shortage of kindercare and school aged care; the shortage of certain types of programs which are expensive to provide such as flexible part time care and programs for infants and toddlers.

As well, the longer term option of dedicated child care space at school sites is a solution that was raised during discussion at the child care think tank. It would be the most comprehensive way to address the problem of securing stable, affordable program space. This direction, together with a program of core funding as noted above, would go a enormous way to addressing the fundamental problems facing child care in Richmond.

Financial Implications for the City of the proposed Options:

Clearly, all the proposals hinge on funding. But, as noted above, the province has not indicated any funding parameters for this discussion. The final paragraph in the discussion paper reiterates that “parents, the federal and provincial governments, business, labour and communities all have a role to play in funding child care”.

While the paper does stress that funding will not be solely the provincial responsibility, beyond indicating that federal participation is required for any action, there is no indication where the funds will come from to implement the proposals. However the immediate, short term proposals do not appear to involve any municipal dollars, since the City does not directly provide any of the services noted.

In the longer term, the proposal of school-based access centres for children and family services, including child care, might have financial implications for municipalities. The paper calls for partnerships in such initiatives by municipalities, as well as other levels of government, school boards, health boards and others, without specifying the contribution of each partner. There is the potential that the City could get requests for site provision, perhaps for child care portables, on the City owned portion of joint school park sites. Any such request would have to be carefully considered by the City, with decisions made as to:

- whether this would be an appropriate use of the site
- how such costs as landscaping, maintenance, heat and light would be addressed

Any action by of the province moving toward this option, could necessitate policy decisions on the part of the City about whether and how the City might want to participate. The financial implications of any City actions would have to be carefully addressed at this time.

Carolyn Morrison
Social and Community Planner