

Why We Urge Child Care Providers to Opt Out of the New Child Care Fee Reduction Initiative

A Statement by the BC Child Care Owners Association

1. Change is desperately needed within BC's child care system. Effective, transformative change will take time, and rushing providers to sign contracts without giving providers the full details so that they can make informed decisions to ensure the long-term viability of their child care centre means that providers are unable to make ethically and fiscally responsible business decisions for their specific business context. Running a child care centre ignoring long term impact of decisions can lead to instability, and is unacceptable.

2. The government's approach in the 2018 Child Care Fee Reduction Initiative, as well as the Major and Minor Capital Funding Programs, does not include all existing providers. The Child Care fee reduction initiative is inequitable when comparisons are made on the actual hours and services provided from same-category programs; the Major and Minor Capital Funding Program is available to not-for-profit and family care providers only, placing a higher financial burden on many for-profit care providers over not-for-profit care providers.

3. Information about the "first steps" of the program has been deliberately misconstrued.

Child Care fee increases will be permitted to providers who opt in only with prior approval by the Ministry. Approval will be based on historical increases and/or the regional median rate. Many providers only increase rates as required, and historical increases may not reflect financial need. The regional median rate simply can not address the contextual factors which contribute to a typical "fee determination" - factors such as lease rates, start-up debt (as for-profits are no longer eligible for capital funding or grants).

The "additional funding" to cover "100 percent" of a parent's portion of fees (Gregson, S. 2018) will not be available to all parents, and will not cover 100 percent of a parent's portion of fees in most instances. This additional funding is, in fact, a subsidy program that is offered on a sliding scale, to a capped maximum funding amount.

4. The government has not, to date, provided any compensation to address the staffing crisis in ECE. The fee cap permanently restricts a child care centres ability to increase salaries, putting ECE salaries under the control of the government without a union or representation on behalf of the workers.

5. Since launched, the \$10.00/day plan has had considerable controversy. When people have questions or concerns, they have repeatedly been dismissed, with advocates citing that the

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questions are “implementation” concerns, and therefore not addressable. Yet, now that the government is at the “implementation” stage, the concerns continue to go unaddressed.

Many alternative options and plans have in fact been proposed; there has additionally been a unified, provincial-wide call for the government to first address the staffing crisis. However special interest groups such as the Coalition of Child Care Advocates of BC and ECEBC have been given voice within the limited government consulting process to the exclusion of other voices within the province.

6. There are many reasons as to why providers may opt out the program in its current form. From a concerned democratic citizen’s perspective, the BC government should support the recommendation by Unicef in the ‘Implementation Handbook for the Convention on the Rights of the Child’) stating that the government must support “early years’ activities of both the “for profit” and “non-profit” parts of the non-governmental sector”. This would, reasonably, include consulting equally with the for-profit and non-profit sector as well as equitable funding for both profit and non-profit care providers.

7. Women have a history of marginalization in employment in Canada. (Lambert & McInturff, 2016) Operating a child care centre - be it a group or family care setting - provides an opportunity for women to not only create licensed child care spaces for their community, but ensures that their own children are able to access licensed child care spaces so that women themselves can return to work. As a small business owner, the BC Government has determined that women who chose to create child care in their community will be ineligible to qualify for the Child Care Fee Reduction Initiative funding for their own children. This discriminatory practise only applies to small business owners and not to the not-for-profit care providers, and works to entrench the marginalization of Canadian women in the workplace.

8. Once more information about the long-term goals of the Child Care Fee Reduction Initiative has been completely disclosed, providers may ultimately choose to opt-out, because short term reduction of fees at the long-term cost of business viability will lead to decreased child care and a lack of child care choice for parents. In fact, many are opting out specifically because the sector has been rapidly declining into a staffing crisis, and without immediately addressing compensation and training, high quality affordable care will cease to exist in BC. Freedom to compensate staff appropriately should not be restricted.

9. Moving towards a high quality cohesive system that retains the diversity and passion currently present within the system requires dialogue with all stakeholders. Dialogue restricted to special interest groups only leads to a fragmented, exclusionary system that limits parent choice in child care, reduces the number of operational child care spaces and eliminates advocacy for improved worker compensation and work conditions.

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10. It's important to remember that child care in BC has been built by two groups. Not-for-profit organizations, who gain initial funding through donations, grants, gaming, and government, make up the smaller portion of child care in BC. The majority of child care in BC is comprised of "For Profit" child care. This includes the family care providers who have opened up their homes, or have taken on larger mortgages and depend on their family care business to pay the mortgage and the small business owners who have taken up significant loans, typically personally guaranteeing that credit, in order to keep their doors open. Reducing or eliminating the ability for private care providers to operate will push the current child care crisis in BC to new levels.

11. For more information about:

Child Care Fee Reduction Initiative, call MCFD toll free at 1 888 338-6622

BC Child Care Owners Association, contact BCCCOA@gmail.com

References:

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UNICEF, 2007. *Implementation Handbook for the Convention on the Rights of the Child.* https://www.unicef.org/publications/files/Implementation_Handbook_for_the_Convention_on_the_Rights_of_the_Child.pdf

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