



December 22, 2021

VIA E-MAIL
Ref: 264580

Rena Laberge
Chair
BC Family Child Care Association
E-mail: office@bcfcca.ca

Dear Rena Laberge:

Thank you for your e-mail and for meeting with me on October 26, 2021, to discuss your feedback on a variety of issues affecting family child care providers under the Childcare BC Plan. It was my pleasure to meet with you and I would also like to follow up with a written response to the questions outlined in your e-mail. Please accept my apologies for the delay in responding.

First, I want to thank you and the BC Family Child Care Association (BCFCCA) for your ongoing commitment to, and advocacy for, family child care professionals in this province. The collective efforts of the BCFCCA are achieving real results for family child care providers and the children and families they serve.

Universal Child Care Prototype (\$10aDay) Site Initiative Application Requirements

The Universal Child Care Prototype Initiative is government’s opportunity to engage with experienced, current child care operators to better inform the creation of an inclusive, universal child care system. The Initiative requires the Prototype Sites to provide detailed information to support that learning, and to ensure fiscally responsible use of public funds.

In the April 20, 2021 [Budget Speech](#), Government announced that we will be more than doubling the number of \$10aDay spaces across the province. The 2021 \$10aDay application window was open for six weeks from July 20 – September 7, 2021, with an online application form that providers could save and come back to in stages, to allow time and flexibility to complete the application at their convenience. Government received a total of 643 completed applications during the 2021 Intake process, of which 130 (or 20 percent) were from sole proprietors operating family-based child care. This represents a higher proportion of home-based providers compared to the child care sector as a whole (in 2020/21, 12 percent of child care facilities were operating out of a personal residence).

I understand that some child care providers could have found the application process to be challenging and appreciate and respect the time and effort of sole proprietors who spend a large part of their day doing the important work of providing direct care to children. Financial documents were required with the application for the ministry to fully understand each applicant’s financial needs and determine the appropriate amount of funding a facility would require to be a \$10aDay site.

.../2

Organizations with less than \$200,000 total revenue in their prior fiscal year were not required to have their financial statements audited or reviewed externally, lessening the administrative workload on in-home child care providers.

Universal Child Care Prototype (\$10aDay) Site Initiative Expense-Based Funding Model

Thank you for offering your perspective on the potential implications of the expense-based funding model (which applies to the 2021 Intake) in relation to family child care providers' financial sustainability and ability to save toward retirement.

I understand that it may not be a family child care provider's current practice to claim a wage. Requiring home-based providers to claim a wage allows government to compensate home-based providers appropriately, adhere to the Ministry of Children and Family Development's (MCFD) allowable surplus criteria and, most critically, help determine the true costs of operating a child care facility. Regarding the issue of retirement savings, home-based providers are not unique in the fact they receive a salary with no pension. Many individuals in this position opt to purchase RRSPs (or otherwise save for retirement) out of their salary (which is one the reasons it is important for home-based providers to report/collect a salary).

Additionally, if, at the end of their Funding Agreement, home-based child care providers have remaining unspent funds, they are permitted to retain five percent of the total amount of their funding agreement as surplus. Home-based providers were specifically differentiated from other sole proprietors, who will only be permitted to retain three percent of the total amount of their Funding Agreement as surplus. Remaining funds exceeding five percent or more of the total annualized contract value is considered "significant surplus" under the Financial Reporting and Management Requirements for MCFD Staff and Contractors and must be recouped in alignment with government core policy.

Increasing Access to Child Care on School Grounds

I hear your concerns regarding child care on school grounds being available to more families, and the impact this could have on family child care providers' ability to fill all their licensed spaces. Increasing access to child care on school grounds is a priority outlined in my Minister's mandate letter of November 2020. Even with the significant investment the province has made in creating child care spaces (funding nearly 26,000 new spaces in the last three years, including 2,600 child care spaces on school grounds), we know that many more families in British Columbia still need a licensed child care space.

For many families, having access to child care for their school-aged children on school grounds provides important peace of mind, eases the burden of arranging logistics of where their children will be during the work day and how they will get there, and supports children in transitioning easily in and out of the school day. For other British Columbian families, the in-home environment with fewer children offered by family child care providers may remain the best choice to meet their children's needs outside of school.

Licensed in-home child care remains an important part of the Childcare BC Plan as we work toward the goal of providing child care for every family who wants or needs it. .../3

Child Care Fee Reduction Initiative (CCFRI) Fee Assessment

To enrol in the CCFRI, child care providers must have a ministry-approved parent fee schedule. The intent of the CCFRI fee assessment policies is to ensure that the greatest possible benefit is passed along to families in the form of reduced parent fees. These policies are developed based on data from multiple sources, including the data submitted by the thousands of British Columbian child care providers that receive operating funding from the ministry. The ministry recognizes that British Columbia's child care sector is diverse, and fees set by individual providers vary based on the services provided.

For established facilities, the ministry considers the amount of the current fee, the provider's historic fee schedule, the amount of the fee increase, and all information included in the provider's response to our request for information and during any follow-up calls.

As another step toward improving affordability, beginning April 1, 2021, the ministry also reviews the initial fees of new facilities to ensure they do not exceed the regional 70th percentile. Using data collected directly from providers in each region and setting the limit at the 70th percentile captures what the majority of local providers are charging families on a monthly basis for full-time child care. The New Facilities Policy is aimed at keeping fees lower for families by ensuring that newly established facilities applying for CCFRI are keeping their fees in line with others that are delivering care in their region.

If a provider proposes a fee (or fee increase) that cannot be approved in full under the policies outlined in the CCFRI Funding Guidelines, ministry staff contact the provider to discuss the fee schedule that could be approved, and the provider's options. Providers whose fee schedule cannot be approved have the option to provide further information for review.

Reducing Fees by 50 percent by December 2022

In July 2021, British Columbia became the first province to sign on to the Canada-Wide Early Learning and Child Care Agreement (CW-ELCC), which will provide \$3.2 billion in federal funding to help deliver affordable, quality, and inclusive child care for families in British Columbia. As part of this agreement and as another step to improve affordability for families, "by the end of 2022, British Columbians will see a 50 per cent reduction¹ in average parent fees for children under the age of 6 in regulated child care."

The federal election on September 20, 2021 has impacted British Columbia's ability to discuss the CW-ELCC with the Government of Canada, in turn impacting our ability to communicate publicly about this agreement. The ministry will communicate more detailed information about how this commitment under the Canada-Wide ELCC Agreement will impact them as December 2022 approaches.

.../4

¹ Of 2019 child care fee levels

Certification and Ongoing Training Requirements

Thank you for your suggestions concerning ongoing training requirements for Community Care Facility Licence holders, and for your advocacy for quality child care for families in British Columbia. The province is committed to creating a universal child care system that benefits children and families in British Columbia and ensures that the professionals who do this important work are appropriately compensated and supported to continue providing high-quality care and learning environments. Well-trained child care professionals will play a vital role in government achieving its goals under the Child Care BC Plan.

With respect to your concerns about family child care licence applications requiring Early Childhood Educator certification in the future, the ministry has no plans to require current or new home-based providers to obtain an ECE certification. The ministry will consider how to ensure this expectation is clarified in public messaging going forward.

Shifting Responsibility for Child Care to the Ministry of Education

Planning is underway to shift responsibility for child care from MCFD to the Ministry of Education by 2023 (as part of the November 2020 Minister's mandate letter). Our goal is to work with our stakeholders and rightsholders to help guide the alignment of child care and early learning into a universal, inclusive child care system within the Ministry of Education.

We do not anticipate any changes to government's relationships with family and child care centres when responsibility for child care moves to the Ministry of Education. Specifically, this move will not impact CCOF Funding Agreements that are in place at the time of the move. Anticipated changes will focus on implementing affordability measures, rather than being a result of the move of accountability of child care to the Ministry of Education.

Engagement sessions with the child care and education sectors began on December 1, 2021 and will continue into the spring of 2022. These sessions will assist government in determining details of service delivery of child care under the Ministry of Education. For more information, please see the [Early Learning and Child Care Engagement](#) page of our Web site.

A transition from the current child care system to an inclusive, universal model represents one of the biggest social policy changes in recent history. Change of this scale and nature takes time, and I appreciate you sharing your perspectives and speaking with me about a variety of issues identified by members of the BCFCCA. Again, I would like to assure you that licensed in-home child care remains an important part of the Childcare BC Plan as we work toward the goal of providing child care for every family who wants or needs it.

Sincerely,



Katrina Chen
Minister of State for Child Care