

Response to BC financial incentives for COVID-19^[1]

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EXCERPTS

Dear Ministers:

We want to express our profound appreciation for your efforts to address the current unprecedented challenges facing our community and the child care sector in particular. Today, we are writing to ensure that you have a full understanding of our growing concerns about government's child care actions to date and to provide our best advice on next steps forward.

As you know, we have asked for a rationale for the Provincial Health Officer's direction to close schools yet allow child care programs to remain open, as this differs significantly from the approach taken in most provinces. We understand that Dr. Henry advised all parents who can to care for their children at home. She also recognized that while some programs may close, child care services can and must be provided in a safe manner for those families whose parents work in critical roles. We agree that child care is essential to meet this need.

Yet, there is still no provincial plan in place to ensure that open programs are meeting the needs of essential workers. The decision whether or not to stay open, work in or attend child care remains with individual child care providers, educators and families.

Building on the recent recognition that child care is indeed an essential service, we advised government to take effective measures, as other provinces have, to:

- Close all programs to regular users, while maintaining educator wages, ensuring families are not required to pay fees for services they can't access, and compensating programs appropriately for the loss of income
- Designate essential workers
- Assess the child care needs of essential workers, and
- Open a limited number child care programs to meet those needs, with full funding to support additional health and safety measures, maintain educator wages and provide care at no charge to designated essential workers.

Instead, on March 20, the BC government announced a package of financial resources for child care with a related FAQ released on March 24. We appreciate the priority given to providing resources for this fragile sector. And, we are hearing from families across the province that they are relieved to know that they will not have to pay for child care services they are not using.

However, we are increasingly alarmed that government's approach relies on weak, somewhat conflicting financial incentives for parents to stay home, providers to remain open and educators to keep working.

Child care programs are incentivized to stay open because they will be eligible to receive seven times their average monthly funding from government as compared to twice their average monthly funding if they close. Educators are incentivized to work because the package does not include wages for staff in programs that close. Parents currently (or recently) enrolled in child care are incentivized to stay home because they are not required to pay fees for services they're not using, and their spaces are reserved.

This package seems to be based on the assumption that, taken together, these incentives will somehow create spaces for essential workers. This is a risky assumption because there are no provincial plans, policies or mechanisms in place to ensure that this objective is met. This is NOT the time to rely on market-based incentives to achieve critical public policy goals.

Currently, there are licensed spaces for only 20% of children and almost no licensed care for shift workers. So, it is reasonable to assume that the majority of essential workers' children are not already enrolled in licensed child care. At this point, it is unclear exactly how essential workers will find an open child care space, but it appears that they will be required to pay market fees if and when they do.

Child care fees are not affordable for many families. In Metro Vancouver, median fees range from \$850-\$1,200/month depending on the age of the child, and can exceed \$2,000/month. Affordability is a particular concern in for-profit programs: a recent national study showed that parent fees in five large BC municipalities are 29%-71% higher in for-profit programs than non-profit programs.¹ Quebec and Ontario are both providing free child care to designated essential workers. That is why we have called for a suspension of parent fees in all open BC programs as well.

We are also concerned about the lack of accountability for this significant stream of new public resources. It appears there is NO mechanism to link the financial incentives to actual enrollment or staffing levels.

From written information and conference calls with Ministry staff, we understand that programs can be fully enrolled with typical fee revenues and still receive the seven-fold increase in public funds. Or, they can remain open with only one child and be fully funded. Similarly, programs can lay off most of their staff and still receive the full funds with no requirement that they pass any of it on to their front-line workers.

Further, the incentive package makes it more likely that for-profit child care programs will remain open than non-profit programs. In fact, we are hearing daily from well-established, non-profit community-based child care programs that they have already closed.

For-profit programs tend to have higher fixed costs as they are more likely to carry mortgages or pay market rent. The seven-fold increase in government funding available to those that stay open is more attractive than the two-fold increase in funding for those that close.

We trust that our concerns outlined above make it clear that BC cannot simply rely on the hope that the newly-announced incentives will be effective.

The BC government is demonstrating strong leadership with provincial plans and policies in other sectors, and we urge government to take a similar approach with child care.

We understand that many of these challenges are exacerbated by the fragmented, market- based approach to child care that you inherited. We share your motivation to, together, do the very best we can to meet the challenges of today. It is not too late to implement the recommendations outlined above.

Sincerely,

Susan Harney, Chairperson

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