

**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 22, 2019
CLIFF#: 240790

DATE OF PREVIOUS NOTE (if applicable): N/A
PREVIOUS CLIFF # (if applicable): N/A

PREPARED FOR: Hon. Katrine Conroy, Minister of Children and Family Development and Hon. Katrina Chen, Minister of State for Child Care

ISSUE: Need to identify an award process that aligns with Ministry Core Policy to increase funding of existing Child Care Resource and Referral (CCRR) agreements in 2019/20.

BACKGROUND:

The CCRR program provides support, information, and referral services for parents and services to child care providers in communities across BC. The CCRR program started in the early 1970's with four programs. Today, CCRRs provide services to more than 400 communities across the province operating in 42 locations through 38 contracted agencies and one contracted provincial agency, the BC Aboriginal Child Care Society (BCACCS).

In the past, CCRR contracts have been managed by Ministry regional offices but in 2016/2017 were centralized in the Child Care Programs and Services Branch. Contracted services, which may vary at each location, are based on funding and the unique needs of each community.

With a few exceptions, contracts between MCFD and third-party contracted service providers have been in place since the inception of the CCRR program, and have not been re-procured since first awarded. Contract language and the outlined service deliverables have remained relatively unchanged and have been continuously renewed on an annual basis.

The 2019/2020 budget for all CCRRs is \$14.6M, which includes \$9.6M in base funding (consistent with 2018/19 funding levels), and the additional \$5.0M for enhancements to CCRR services under the Child Care BC Plan.

DISCUSSION:

As confirmed in late August 2018, the CCRR contracts will be renewed with the current set of contract holders, including an additional \$5M to enhance CCRR services starting in fiscal 2019/20. This investment provides an opportunity to ensure CCRR services are well aligned with the needs of the child care providers and families, as we move towards a universal system of child care.

However, providing a significant funding increase to the existing contracts does not meet the current direct award criteria (6.3.3 a (1)) set out in core policy and could be perceived as providing an advantage for current contract holders.

Core policy states that the acquisition of services may be negotiated and directly awarded without a competitive process only in circumstances where an exceptional condition applies. This circumstance does not fall into any of the exceptional conditions and full consideration of the appropriate method of funding disbursement is required to ensure the ministry is providing opportunities for the broader social service sector.

To address this concern, several procurement options were considered to ensure the program and new funding award meets core policy requirements. These options ranged from a 3-6 month contract extension and organizational needs assessment (to determine how much funding they would require to continue providing services within their contract) to a 6 month extension of contracts with full procurement to follow. Only one option is available that meets the aforementioned core policy requirements, works within existing timelines, and previously executed (and planned) engagement and consultation with the sector.

One-Year Renewal + Proportional Distribution of Increase:

All existing CCRR contracts will be renewed for one year (March 31, 2019 to March 31, 2020), enabling the ministry to renew the agreement with the understanding that procurement planning is underway for these services in the next fiscal year. The contracts would receive an increase to continue to provide the services included in the current contract language.

This option promotes focused service provision in the short term with the additional \$5M in funding, while providing the sector sufficient time to prepare for upcoming procurement activities. In order to mitigate the risk of potential unearned revenue or agency capacity issues, program and financial reporting will be reviewed quarterly and issues addressed as they arise.

Proposed next steps in this process are to:

- Renew the existing CCRR contracts for one year with the increased \$5M investment distributed equitably based on current funding amounts;
- Communicate the ministry's intention to conduct a full procurement process with the goal of awarding contracts to successful proponents in 2020/21;
- Develop new contracts for a 1 year term with 3 options to renew for additional 2 year terms (total contract term up to 7 years);
- Support CCRR host agencies to implement services through 2019/20, while allowing them to prepare for the procurement process;
- Release a provincial Request for Proposals in summer 2019 with confirmation of successful proponents for 2020/21 by December 2019; and
- Establish a process for transition planning, where necessary, from January – April 2020.

The approved outlined above will provide the ministry time to design and implement a fulsome procurement process, with the goal of awarding contracts in 2020/21 to successful agencies. With the lens of continuous quality improvement, the scope of services for 2019/20 will be focused to maintain the original intent of service delivery. Each contractor will receive an increase to the contract aggregate based on its current percentage of the overall funding amount (e.g. a provider, whose current contract accounted for 10% of the current budget, would receive 10% of the new funding). The increased funding and contract renewal will be

awarded within core policy, which allows for continuous service delivery during the planning and execution of a solicitation process.

Next Steps:

To inform CCRR host agencies of the ministry's intentions, the following communications plan has been established:

- **Late January 2019:** Letter to Executive Directors of CCRR host agencies that explains the process to divide the funds for 2019/20 contracts, lays out the planned procurement process for 2020/21, and invites Executive Directors to a teleconference with ministry staff.
- **Mid-February 2019:** Teleconference with Executive Directors to provide an opportunity to ask questions about the contract renewal and 2019/20 procurement process.
- **April 25/26, 2019:** Host a CCRR Provincial Forum to engage representative members of CCRRs across the province. The timing of this forum is of noted importance as it will enable discussion of findings from the recent engagement process and any implementation concerns articulated by CCRR representatives. Agenda will be further refined as planning progresses with the intent to support CCRRs with transitioning new service deliverables into action at the community level.

Appendix A: CCRR Contract Percentage Breakdown

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 8th, 2019.

CLIFF#: 241283

PREPARED FOR: Honourable John Horgan, Premier of British Columbia

ISSUE: Child care information for meeting with the Mayors of Vancouver and Surrey

BACKGROUND:

The City of Vancouver supports the goals of the *Childcare BC* plan to increase the affordability, accessibility, and quality of child care in partnership with communities, and has made significant investments in local child care planning and supports for child care providers. Staff from MCFD and the City of Vancouver has initiated discussions on a potential Memorandum of Understanding to facilitate the funding of new child care spaces in Vancouver. His Worship, Kennedy Stewart, Mayor of the City of Vancouver, is currently serving in his first term as mayor, after previously serving as the Member of Parliament for Burnaby South.

The City of Surrey includes the creation of more affordable and quality child care and after school programs among the priorities identified through its *Child and Youth Friendly City Strategy*, 2010. His Worship, Doug McCallum, Mayor of the City of Surrey, is currently serving in his fourth term as mayor, after completing his first three terms 1996-2005.

DISCUSSION:

Under *Budget 2018*, government is investing \$1 billion in child care over three years.

Investments are currently being made through a number of initiatives, including:

- The **new Child Care Fee Reduction Initiative** (CCFRI), which helps to reduce child care fees at licensed facilities by up to \$350/month per child.
- The new **Affordable Child Care Benefit** (ACCB), an income-tested program to reduce the cost of child care for BC families. Families with incomes of up to \$111,000 are eligible. The maximum monthly benefit is \$1,250 per child, depending on income, type of care and family size.
- The **Childcare BC New Spaces Fund**, which funds the creation of new licensed child care spaces, with a target of creating up to 22,000 new spaces over the next three years. Funding amounts include up to \$1 million per facility for public-sector organizations (e.g. local governments), including partnerships with non-profit child care providers. Funding priority is given to applications that support: new licensed infant-toddler spaces; vulnerable and underserved communities; projects undertaken by public-sector partnerships with non-profit child care providers; and child care services outside of core business hours.
- The **Community Child Care Planning** grants program, through the Union of British Columbia Municipalities (UBCM), which provides up to \$25,000 per applicant, to help local governments to plan new spaces in their community over the next 10 years.

Investments under *Budget 2018* are supplemented with an additional \$153 million in federal funding over three years through the Canada-British Columbia Early Learning and Child Care

(CAN-BC ELCC) Agreement. Under the terms of the CAN-BC ELCC Agreement, the Province recently announced:

- The implementation of 53 new **Prototype Sites**, representing approximately 2,500 licensed spaces, to pilot low- or no-cost child care in locations across the Province. The Prototype Sites will be funded under the CAN-BC ELCC Agreement until March 31, 2020, during which time, the Province will evaluate the sites to determine next steps in implementing universal child care province-wide.
- The **Community Child Care Space Creation Program**, which is being administered by the UBCM, provides local governments with up to \$1 million per project to create new licensed child care spaces on local government-owned property for infants, toddlers, and preschool age children.

City of Vancouver Child Care Profile (see full profile in Appendix A)

- Approximately 13,300 licensed child care spaces in receipt of Child Care Operating Funding (CCOF), which provides operational funding to assist with the day to day operational expenses of licensed child care.
- Approximately 2,050 families have received a total of \$2.65M in funding through the ACCB since the program launched in September 2018.
- Approximately 400 licensed child care facilities, representing 5,000 spaces, have received enhanced funding under the new CCFRI to reduce parent fees by up to \$350/month.
- Under the Universal Child Care Prototype Sites initiative, eight prototype sites are located in Vancouver, benefiting nearly 300 families with no/low cost child care.
- Since 2014, a total of 17 projects representing 764 new spaces have been funded through the Childcare BC New Spaces Fund (formerly the Child Care Major Capital program), with a total \$5.83M invested.

City of Surrey Child Care Profile (see full profile in Appendix A)

- Approximately 12,000 licensed child care spaces in receipt of CCOF.
- Approximately 4,200 families have received a total of \$5.56M in funding through the ACCB since the program launched in September 2018.
- Approximately 360 facilities, representing 6,200 spaces, have received enhanced funding under the new CCFRI to reduce parent fees by up to \$350/month.
- Under the Universal Child Care Prototype Sites initiative, six prototype sites are located in Surrey, benefiting nearly 240 families with no/low cost child care.
- Since 2014, a total of 36 projects representing 1,527 new spaces have been funded through the Childcare BC New Spaces Fund (formerly the Child Care Major Capital program), with a total \$6.42M invested.

SUGGESTED RESPONSE:

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ATTACHMENTS:

A. Vancouver and Surrey Child Care Funding Profiles

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Appendix A: Vancouver and Surrey Child Care Profiles

City of Vancouver

Affordable Child Care Benefit (ACCB) & Child Care Subsidy - City of Vancouver (2018/19 YTD)

Affordable Child Care Benefit (ACCB)

Care Type	Number of Distinct Children	Annual Funding (\$)
Infant/Toddler	487	1,009,600
3 Years to School Age	544	789,100
Preschool	373	197,400
School Age	752	558,000
Special Needs Supplement	213	96,000
Total	2,079	2,650,000

Child Care Subsidy (CCS)

Care Type	Number of Distinct Children	Annual Funding (\$)
Infant/Toddler	350	755,800
3 Years to School Age	567	1,218,000
Preschool	344	212,000
School Age	862	1,028,700
Special Needs Supplement	265	167,200
Total	2,002	3,381,800

Child Care Operating Funding (CCOF) - City of Vancouver (2018/19 YDT)

Care Type	Number of Facilities	Number of Licensed Spaces	Annual Funding (\$)
Group Infant/Toddler	78	1,208	2,784,600
Group (30 Months to 5 Years)	128	3,378	3,401,600
Preschool	113	2,604	575,600
Group School Age Care	114	5,034	1,253,000
Group Multi-Age	7	61	-
Family Child Care	165	1,011	473,400
Total	602	13,296	\$8,488,300

Child Care Fee Reduction (CCFRI) Enrolment - City of Vancouver (2018/19 YDT)

Care Type	Number of Facilities	Number of Licensed Spaces
Group Infant/Toddler	74	1,144
Group (30 Months to 5 Years)	115	3,002
Group Multi-Age	4	37
Family Child Care	135	834
Total	407	5,017

City of Surrey

Affordable Child Care Benefit (ACCB) & Child Care Subsidy - City of Surrey (2018/19 YTD)

ACCB

Care Type	Number of Distinct Children	Annual Funding (\$)
Infant/Toddler	1,089	2,344,500
3 Years to School Age	1,211	1,805,800
Preschool	560	234,500
School Age	1,534	1,044,600
Special Needs Supplement	303	133,600
Total	4,224	5,563,000

Child Care Subsidy (CCS)

Care Type	Number of Distinct Children	Annual Funding (\$)
Infant/Toddler	881	1,893,400
3 Years to School Age	1,271	2,569,100
Preschool	405	210,100
School Age	1,669	1,814,100
Special Needs Supplement	349	212,800
Total	4,000	6,699,500

Child Care Operating Funding (CCOF) - City of Surrey (2018/19 YDT)

Care Type	Number of Facilities	Number of Licensed Spaces	Annual Funding (\$)
Group Infant/Toddler	71	1,420	3,379,100
Group (30 Months to 5 Years)	144	3,457	3,301,700
Preschool	120	2,486	439,000
Group School Age Care	127	2,876	693,100
Group Multi-Age	56	482	-
Family Child Care	172	1,310	598,000
Total	467	12,031	8,410,800

Child Care Fee Reduction (CCFRI) Enrolment - City of Surrey (2018/19 YDT)

Care Type	Number of Facilities	Number of Licensed Spaces
Group Infant/Toddler	67	1,381
Group (30 Months to 5 Years)	134	3,252
Group Multi-Age	51	442
Family Child Care	153	1,158
Total	363	6,233

**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 21, 2019
CLIFF#: 241426

DATE OF PREVIOUS NOTE (if applicable): [Date]
PREVIOUS CLIFF # (if applicable): [CLIFF #]

PREPARED FOR: The Honourable Katrine Conroy, Minister of Children and Family Development

ISSUE: Tsilhqot'in National Government Leadership Table meeting with Province of BC, January 28, 2019 in Vancouver.

BACKGROUND:

The Tsilhqot'in National Government (TNG) represents six communities of Tl'etinqox (Anaham), Tsi Deldel (Redstone), Yunesit'in (Stone), Xeni Gwet'in First Nations (Nemiah), ?Esdilagh (Alexandria) and Tl'esqox (Toosey) in the areas surrounding Williams Lake. In June 2014, the Supreme Court of Canada recognized 1700 square kilometres of land as Aboriginal Title Land which includes the rights to control the land and decide how it will be used. As a result of this ruling, the Province of BC has entered into two agreements with the Tsilhqot'in which establish a government to government relationship:

- the Tsilhqot'in Stewardship Agreement which guides the shared decision-making process regarding land and resource management; and
- the Nenqay Deni Accord where one of five Sub-Tables is Social, Cultural, Education and Justice.

All of the communities except Tl'etinqox (Anaham) receive services from the delegated aboriginal agency, Denisiqi Services Society. Denisiqi delivers C4 delegated services (guardianship and resources) as well as a number of non-delegated services such as Aboriginal Child and Youth Mental Health, Early Childhood Development, Family Group Conferencing and Family Preservation and Support Work. In 2016, Tl'etinqox (Anaham), who once received services from Denisiqi, withdrew their support for the agency and have since received their services from MCFD.

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DISCUSSION:

In September 2018 MIRR gathered representatives from the social ministries to meet with the Tsilhqot'in Social Cultural Team. The meeting was an opportunity for Tsilhqot'in to share their goals, aspirations and draft plans for advancing their community, social and cultural wellbeing in the areas of Justice, Child and Family Wellness, Language and Cultural Investment.

Minister Conroy met with representatives from TNG on November 30th at the BC Cabinet and First Nations Leaders' Gathering (FNLG). At that meeting the Tsilhqot'in representatives requested Ministry Conroy attend the Leadership Table meetings held with the Premier and other ministers. Minister Conroy was invited to attend the next Leadership Table meeting on January 28th, 2019 in Vancouver. A follow up request was sent by TNG via letter on December 12, 2018 again inviting Minister Conroy's attendance at the Leadership Table.

CONCLUSION or SUMMARY or NEXT STEPS:

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ATTACHMENTS (if applicable):

None applicable

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 11, 2019

CLIFF#: 241439

PREPARED FOR: The Honourable Katrine Conroy, Minister of Children and Family Development, and the Honourable Katrina Chen, Minister of State for Child Care

ISSUE: Potential child care-related service Measure for the 2019/20-2021/22 Ministry Service Plan

BACKGROUND:

The Ministry's 2019/20-2021/22 service plan includes one child care-related performance measure, namely, the average number of funded licensed child care spaces. This measure speaks to the average monthly number of licensed spaces with service providers receiving funding through the Child Care Operating Funding Program, and is designed to measure the overall level of accessibility to child care (see Appendix I for the 2018/19-2020/21 measure).

The Ministry recommends that the performance measures should remain unchanged in the 2019/20-2021/22 Ministry Service Plan.

DISCUSSION:

Ministry staff have reviewed and discussed two additional potential service plan measures, and have identified a number of limitations and risks associated with them. These are as follows:

Total number of licensed spaces, including those not receiving CCOF:

- Comprehensive data on the number of child care spaces within each Regional Health Authority is owned by the respective Health Authorities, and held by the Ministry of Health. The Ministry's past experience has demonstrated that requesting comprehensive data on licensed child care operators is difficult and subject to uncertainty and delays. The Ministry is currently consulting with the Ministry of Health to develop an improved method to access child care provider data more regularly.
- The Ministry has no control or stewardship over the comprehensive licensed facility data. As a consequence, it would be difficult for the Ministry to maintain accountability for the data (e.g., monitoring and addressing data quality issues), thus impacting its ability to assure the accuracy and quality of the service measure.

Decreases in median child care fees:

- Government has little control over the child care fees providers charge, as the child care sector is still largely influenced by the market.
- While Government has reduced child care fees through the Child Care Fee Reduction Initiative (CCFRI), participating providers are still able to increase fees within specified ranges without compromising their eligibility. As a result, implementing this service

measure would require a commitment to continual operational funding increases that the Ministry is likely unable to sustain.

- Median child care fees differ significantly based on the type of care (Infant/Toddler, School Age, etc.). As a result, a single median figure based on all child care fees would be unrepresentative of any single care type.
- Differences in providers' fees often reflect the number of additional services that the providers offer. A single service measure based on median child care fees would be unable to account for these differences.

SUMMARY:

Ministry staff are seeking confirmation that MCFD's 2019/20-2021/22 Service Plan should continue to include the average number of funded licensed child care spaces, and not introduce the additional service measures described above.

ATTACHMENTS

- A. Appendix I: Ministry of Children and Family Development Service Measure 3.1a, 2018/19-2020/21 Service Plan

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Appendix I: Ministry of Children and Family Development Service Measure 3.1a, 2018/19-2020/21 Service Plan

The following service measure information was drawn from the Ministry's 2018/19-2020/21 Service Plan.

Performance Measure	2016/17 Baseline	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
Average number of funded licensed child care spaces	105,830	110,000	115,000	120,000	128,000

**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
MEETING NOTE**

DATE: January 24, 2019
CLIFF#: 241470

DATE OF PREVIOUS NOTE (if applicable): NA
PREVIOUS CLIFF # (if applicable): NA
PREVIOUS CORRESPONDENCE RECEIVED: NA

PREPARED FOR: Minister of Children and Family Development, Katrine Conroy

DATE, TIME AND LOCATION OF MEETING: Jan. 30/19, 3:15 – 4:00 PM, Minister Conroy's office

ISSUE(S): Sector engagement with the Federation of Community Social Services of BC

BACKGROUND:

The Federation of Community Social Services of BC (The Federation) is an active and valued partner with the Ministry and has supported the Ministry in gathering critical social sector input into our Strategic Framework overall, as well as our strategy to address issues related to our contracted in-care system (foster and contracted). Two Discussion Forums were facilitated through The Federation as follows:

- Aug. 2, 2018 – focused on Residential Care Service (see attachments A)
- Dec. 14, 2018 – focused on the DRAFT MCFD Strategic Framework (see attachments B)

DISCUSSION:

The **August Discussion Forum** brought together service providers and practitioners and Ministry staff to explore the most pressing concerns facing the delivery of residential care services. Key themes identified included:

- The human resource crisis in the sector and supervision and mentorship
- A need for a continuum of care and handling transitions to adulthood
- The need for collaborative planning and permanency
- The complex needs of kids and the impact on care providers
- Over representation of indigenous kids in care
- The difficulty painting a compelling picture of the need in the system
- System “stuckness” and challenges shifting the value given to those who serve kids

Participants at the forum agreed that continued collaboration and relationship building across the sector was essential and themes for next steps included:

- Joint training, knowledge sharing and leadership development
- Embracing creativity and flexibility to develop a system of options
- Thinking of the relationship with the children in care as the service
- Implementing collaborative care plans
- Better stating the financial business case for residential care services
- Seeking new approaches to recruitment
- Fine-tuning policy and practice to remove real and perceived barriers to the delivery of service

The **December Discussion Forum** brought together participants from across the sector to gather input on drafts of the four plans that underpin the ministry's new Strategic Framework. Feedback was gathered around both opportunities and concerns and it was to a large extent very consistent with the direction of the Framework, which had been designed to address and incorporate sector input gathered in August.

Conversations will begin with the Federation and Carolyn Kamper on January 31 with respect to sector collaboration on the Framework. Sector feedback on collaboration includes:

- Continued, regular, open and transparent communication across the sector at all levels
- Creating joint leadership and increasing Indigenous inclusion
- Taking action and shared risk taking
- Integration of the many initiatives and frameworks
- Expanding the coalition to include the full breadth of the sector (e.g., include youth)

The Federation has submitted a proposal concerning learning and cultural shifts in support of the new Ministry Strategic Framework to Philip Twyford and Teresa Dobmeier, which is being considered.

In addition, The Federation has proposed collaborating on a joint learning event related to children and youth with behaviours related to brain differences such as ASD and FASD. The ministry has indicated they are interested in following up, but with a focus on children with complex needs that result in behavioural and social communications needs and the ministry is confirming participation depending on available budget.

SUGGESTED RESPONSE:

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ATTACHMENTS:

- A. Residential Care Services Discussion Forum Results
- B. s.13

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 28, 2019

CLIFF#: 241504

PREPARED FOR: Honourable John Horgan, Premier of British Columbia

ISSUE: Child care information for meeting with the BC Chamber of Commerce

BACKGROUND:

The scheduled meeting with members of the Chamber is to include a discussion on child care policy highlights. Attendees include:

- **Val Litwin**, *President & CEO*, BC Chamber of Commerce
- **Karen Hawes**, *Board Chair*, BC Chamber (also *Senior VP Culture & Technology*, Interior Savings)
- **Dan Baxter**, *Director of Policy Development, Government & Stakeholder Relations*, BC Chamber

The Chamber's advocacy centres on the promotion of Chamber policies, which members develop annually and reflect the innovative ideas and experiences of member Chambers, Boards and businesses in every region of the province.

DISCUSSION:

The Ministry of Children and Family Development (MCFD) has implemented several new child care initiatives under the new *Childcare BC Plan*, and through *Budget 2018*. The initiatives focus on making child care more affordable for parents to enable more choices in employment and education; provision of quality care for children and an appropriately compensated, engaged workforce; and balancing additional funding to child care providers with administrative and accountability measures.

In 2018/19, MCFD implemented several key initiatives, including:

- The new **Affordable Child Care Benefit (ACCB)**, an income-tested program to reduce the cost of child care for BC families. Over 27,000 B.C. families, representing nearly 36,000 children, have been approved for the ACCB, which increases the maximum monthly benefit formerly available under the Child Care Subsidy program from a maximum of \$750/child to a maximum \$1,250/child (for licensed Infant/Toddler group care), and features an increased annual income threshold -- families with pre-tax household incomes of up to \$111,000 (based on a two-person family) may be eligible to receive the ACCB.
- The improved **Childcare BC New Spaces Fund**, which funds the creation of new licensed child care spaces, with a target of creating up to 22,000 new spaces over the next three years, to increase accessibility for providers wishing to enter the market or expand their

current capacity. MCFD also offers **Maintenance Grants** for existing providers and **Start-up Grants** for new providers to incentivise and support capacity building in the sector.

- The **Child Care Fee Reduction Initiative (CCFRI)**, provides enhanced funding directly to licensed, eligible child care providers who choose to enroll in the program so that they can reduce their parent fees. To date, over 52,000 spaces at 3,334 facilities are enrolled.
- A new **Early Care and Learning Recruitment and Retention Strategy** to strengthen quality in child care settings and enable a stronger, larger workforce to meet demand. As part of this Strategy, front-line Early Childhood Educators (ECEs) working in eligible licensed child care facilities are eligible to receive a \$1 per hour **ECE Wage Enhancement** retroactive to September 1, 2018. This wage enhancement will rise to \$2 per hour in April 2020.
- The launch of **Childcare BC Universal Prototype Sites** to concept-test affordable, quality universal child care with maximum \$200/month parent fees at 53 child care facilities, representing approximately 2,500 spaces across the province.

The following Childcare BC initiatives will be implemented in 2019/20:

- **ACCB Enhancements.** MCFD has committed to increasing ACCB rates for additional licensed care types in 2019, including licensed 3 years to School-Age, School-Age, and Preschool care, to further assist low and middle-income families with the cost of child care.
- **Extended Hours Child Care Operating Funding Enhancement.** Beginning fall 2019, the Ministry will offer additional operating funding to child care providers providing care outside of standard business hours, to incentivize providers to offer more flexible care options and serve families that work outside of standard business hours.

Administrative Impact on Child Care Providers

Current and planned initiatives related to the ChildCare BC plan, and the increased public funding associated with them, have resulted in an increase in administrative burden on child care providers, as new accountability measures are built into new/enhanced programs. As well, the pace of new initiative roll-out has meant providers need to be cognizant of newly instituted processes, policies and deadlines. Under the CCFRI, approved providers receive an additional 10% lift on their base operating funding rates, which will increase to 15% effective April 1, 2019, in recognition of the increased reporting requirements of the program. Regardless, some providers have expressed concerns about the increasing level of administrative burden of ChildCare BC initiatives, and Government will be engaging with the sector to better understand these impacts over the coming year.

Engagement

MCFD will continue to engage with parents and child care providers across BC over 2019 and early 2020 to gather input from the sector and stakeholders as Government continues to implement Childcare BC commitments.

SUMMARY:

MCFD has implemented several new child care initiatives under Year 1 of the Childcare BC Plan and through Budget 2018 and will continue to engage with providers and parents in 2019 to further inform and shape the implementation of Childcare BC.

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 25, 2019

CLIFF#: 241540

PREPARED FOR: The Honourable Carole James, Minister of Finance
The Honourable Katrine Conroy, Minister of Children and Family Development

ISSUE: Implications of negotiated unionized wage increases for non-union agencies and excluded management

BACKGROUND:

Collective agreements covering the Health Employers' Association of BC (HEABC) and the Community Social Services Employers' Association (CSSEA) have been concluded under the Sustainable Services Negotiating Mandate (SSM). As a result of these agreements, significant wage increases (4%-6% per year) for unionized employees will take effect April 1, 2019. The community social service sector advises that the unionized wage increases will result in wage compression or inversion between unionized staff and excluded managers. Similarly, the significant wage increases for unionized agencies may contribute to recruitment and retention challenges at non-union agencies. Agencies have expressed concern that these issues will adversely impact service delivery unless the union and non-union agencies receive incremental funding to address these respective challenges.

DISCUSSION:

Past funding decisions have recognized the importance of service continuity and the desire of non-union social sector agencies to remain relatively competitive with their unionized counterparts. Following the negotiation of collective agreements under the 2014-2019 Economic Stability Mandate, Cabinet approved funding increases for the non-union sector consistent with elements of that mandate as part of an agreement with CSSEA and agencies to work with the Province on a review of historical compensation data. Ministries are preparing contracts for 2019/20 and requires early direction on whether the increases for the union sector will be applied to the non-union sector. The non-union sector is expecting the increases will be applied, and any change from the current policy will have service delivery implications for the non-union sector.

At the same time,^{s.17} compression and inversion with excluded managers is a significant concern for both the unionized CSSEA agencies and non-union sector. The extent and impact of management compression and inversion, however, will vary widely across the agencies. Unlike other sectors such as K-12, Post-Secondary and Health sectors, there is no sector-wide compensation plan that sets consistent parameters for management compensation.

Given the current strength in the labour market and the significant unionized wage increases negotiated in the current round of bargaining, non-union agencies will need to address

recruitment and retention pressures if they are to maintain current service delivery expectations. Nevertheless, there is no obligation for the Province to approve wage funding for the non-union sector that matches the increases in the unionized sector. Any decisions to provide funding for excluded management compensation and/or non-union agency wages will need to consider short, medium and long-term goals for service delivery across the community social service sector.

In the short term, service stability and continuity are important considerations, particularly in rural, remote, and Indigenous communities where there are few or no alternate service providers. In the medium to long term, however, there is an opportunity to support more coordinated service delivery structures and sector-wide workforce strategies. In particular, funding decisions that prioritize delivery through unionized CSSEA/HEABC agencies would serve to improve strategic labour relations, service delivery coordination, and greater consistency in employee wages and benefits, including retirement savings.

While notional allocations have already been approved by Treasury Board to address the non-unionized, non-management component of SSM's General Wage Increase (2% annually), incremental funding would be required to fund low-wage redress compensation in the non-union sector and support extending wage increases to excluded management as well.

It is expected that if funding is not made available to non-union agencies to address low-wage compensation, concerns will be raised about equitable treatment across the sector, and when faced with recruitment and retention challenges may divert existing resources to employee wages with resulting impacts to service delivery or a drive to increase unionization in the sector which may further increase costs.

NEXT STEPS:

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 30, 2019

CLIFF#: 241641

PREPARED FOR: Honourable Katrine Conroy - Minister of Children & Family Development
Minister

ISSUE: Short Term Illness and Injury Controls Audit Report

BACKGROUND:

The Office of the Auditor General has completed a Short Term Illness and Injury Controls Audit Report. The findings of this report will be released January 30/2019.

The Short Term Illness and Injury Plan (commonly called STIIP) is administered by the B.C. Public Service Agency (PSA) and provides eligible employees with most of their earnings in the event that they are absent from work because of illness or injury. The program represents approximately \$39 million per year or 2.4% of the public service payroll. Because STIIP leave involves employees self-reporting their time away from work, controls are necessary to reduce the risk of misuse.

The objective of this audit was to determine whether the BC Public Service Agency (PSA) and a sample of ministries, including the Ministry of Children and Family Development and Ministry of Forests Lands, Natural Resource Operations and Rural Development, to see how they are effectively applying controls to support employees' appropriate use of the Short Term Illness and Injury Plan (STIIP).

DISCUSSION:

The Office of the Auditor General developed the following lines of inquiry and criteria to support the overall audit objective:

- **Prevention:** The PSA and sample ministries are actively employing preventive controls to reduce the risk of STIIP being misused.
- **Detection:** The PSA and sample ministries are proactively using detective controls to identify STIIP recording issues, errors and misuse.
- **Correction:** The PSA and sample ministries take corrective action when STIIP errors or misuse are found.

Interviews with staff were conducted from each organization and documentation was examined to understand the design of the PSA's and the two ministries' existing STIIP management controls.

SUMMARY:

The audit found that the PSA, the Ministry of Children and Family Development, and the Ministry of Forests, Lands, Natural Resource Operations and Rural Development are effectively applying controls to support employees' appropriate use of STIIP.

There were no specific recommendations made with regards to how MCFD currently controls the appropriate use of STIIP, however, it was found that the PSA could improve its oversight of STIIP to better monitor usage and coordinate with ministries.

Other recommendations that are applicable to all include:

- continuing to promote ethical employee behaviour, together with applying appropriate STIIP controls, including supervisor scrutiny, as ways to help reduce the risk of employee STIIP misuse and errors
- conduct regular reviews of STIIP policies, procedures and other controls to ensure that they are up to date and are meeting objectives.

ATTACHMENTS (if applicable):

- A. Copy of the Final STIIP Audit Transmission

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**MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
INFORMATION NOTE**

DATE: January 11, 2019
CLIFF#: 241349

DATE OF PREVIOUS NOTE (if applicable): Sept. 21, 2018
PREVIOUS CLIFF # (if applicable): 239788

PREPARED FOR: Honourable Katrine Conroy, Minister of Children and Family Development

ISSUE: MCFD Strategic Framework

BACKGROUND:

MCFD Executive has designed a revised Strategic Framework for the Ministry¹ with an intention to identify opportunities for fundamental shifts to improve outcomes for children and youth, as opposed to incremental changes. (Appendix 1 is a Logic Model that represents the 4 pillars of the Framework).

DISCUSSION:

The Framework and the four strategies that underpin it have been developed to reflect recommendations, input received as well as the experience of MCFD Executive and staff. In addition, early consultation on the plan has yielded positive support for the direction and bold actions that get to the underlying problems faced across the child welfare system.^{S.13}

¹ The Childcare BC strategy stands on its own, but it is an integral part of preventative services to support children and youth to stay safely with families.

To effectively address systemic challenges we are working to shift the focus of our spending from protection to prevention – recognizing that a strong family and community is required to ensure children and youth can thrive. s.13

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NEXT STEPS:

Creation of a robust implementation plan will require ongoing consultation with our children and youth, families, foster parents, caregivers and indigenous communities as well as integration across the public sector to ensure a coordinated approach with all ministries and agencies that provide services and supports to children, youth and families. Adjustments to the plans will continue to be made based on consultation up until the end of fiscal. An overarching draft 5 year implementation plan for the framework will be complete for April 1, 2019. Further work is required to develop more detailed implementation plans for each of the Strategies that underpin the framework which will be developed shortly thereafter.

Research, analysis and an evidenced based approach will inform the steps to develop and implement each action in this plan as appropriate.

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A clear and timely roadmap with performance measures will demonstrate forward momentum and ensure accountability to our stakeholders, partners, Indigenous communities and most importantly the children, youth and families we serve.

Change of this magnitude will require a thoughtful and sustained change management approach to ensure staff, caregivers, partners, agencies and communities have the information, systems, tools and training that they need.

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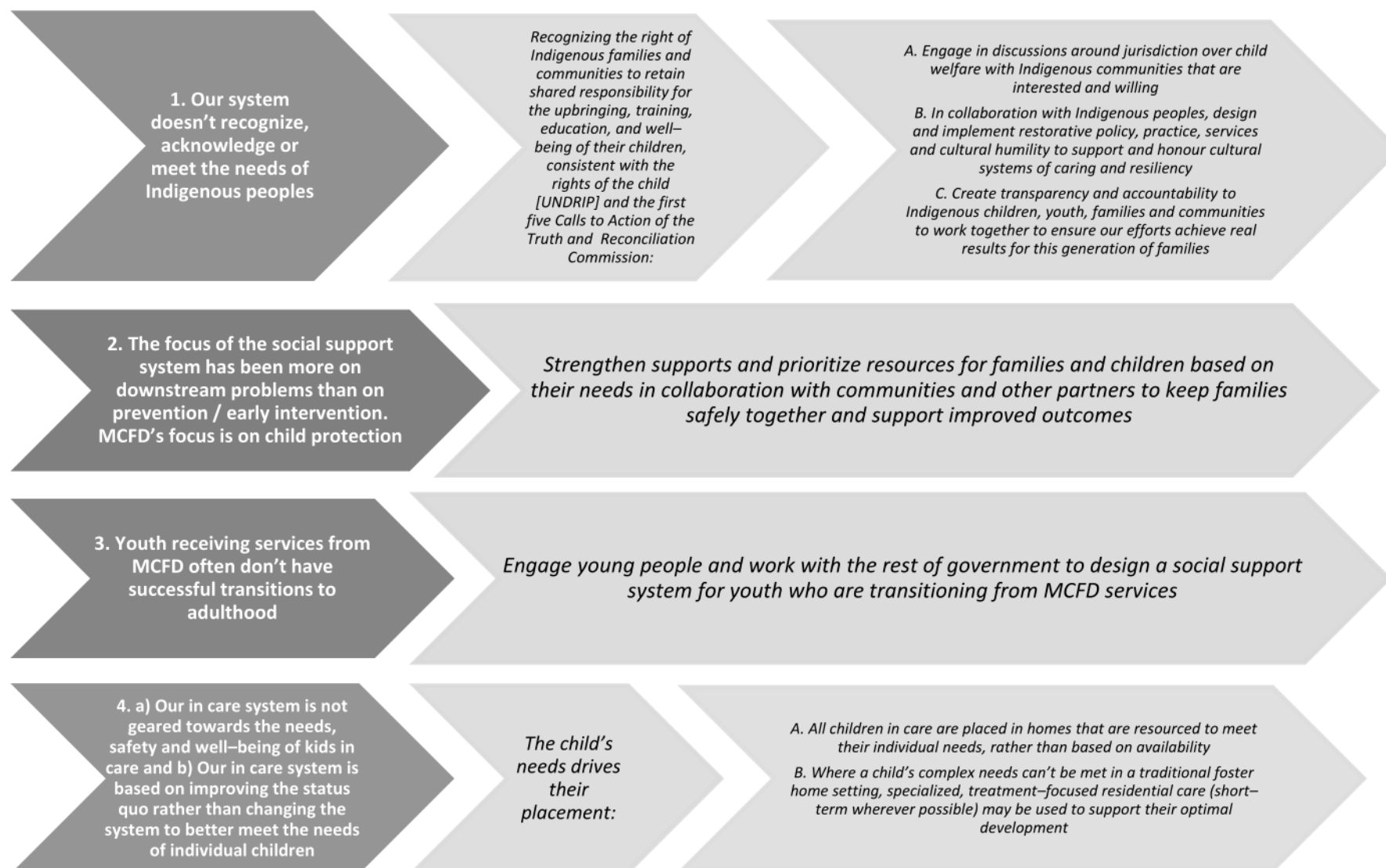
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Appendix 1: Strategic Framework Logic Model



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